FBIS DAILY REPORT
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RENMIN RIBAO ON RESULTS OF U.S.-USSR SUMMIT

HK180545 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 18 Oct 86 p 6

["Short" commentary: "Anyway, Dialogue Is Better Than Confrontation"]

[Text] No agreement was reached in the U.S.-USSR summit meeting in Iceland. This has disappointed the people of various countries who earnestly hoped that progress could be made in disarmament and peace at the meeting. It is indeed regrettable as far as this is concerned.

However, it is not strange that the Iceland meeting should end in this way. Ice as thick as three feet cannot be expected to melt all at once. For many years, the United States and the Soviet Union have been contending for military superiority, trying to overtake each other. This has increasingly intensified the arms race. Talks between them on reducing nuclear weapons have been intermittently held for many years and such talks have always been difficult. Under these circumstances, it is evident that to expect the longstanding, big, and difficult proplems accumulated over the previous years to be solved at one go at the meeting is not realistic.

The atmosphere at the beginning of the Iceland meeting was passable. Then things took a sudden turn and developed rapidly. In the end, no agreement was reached. No wonder this has brought about pessimistic views everywhere. However, although the ending of the Iceland meeting was regrettable, it was not a wild goose chase judging from a long-term point of view. After assessing the meeting as a "failure" over a short period of time, the world's public opinion, including that of the United States and the Soviet Union, has begun to make a relatively calm and appropriate appraisal of the recent meeting. We hold that the U.S.-Soviet relations in the past few years are characterized by confrontation and dialogues. This situation has remained unchanged. After criticizing each other after the Iceland meeting was over, both the United States and the Soviet Union have expressed their willingness to continue the dialogue. What needs at present is sincerity of both the United States and the Soviet Union. They should not fail to live up to the hopes of the people the world over.

Like the people of other countries, the Chinese people favor U.S.-Soviet summits and hope that leaders of these two countries will seriously hold dialogues in order to reach agreements that will not harm the interests of other countries but will be conducive to maintaining world peace. After the Iceland meeting, we still stand for continuing dialogues between the United States and the Soviet Union. Undoubtedly, dialogues are better than confrontation and to hold talks is better than not to hold talks. Reversely, confrontation will eventually lead to a tense situation and intensify arms race, which endangers world peace and does not conform to the interests of the people of various countries of the world.

RENMIN RIBAO ON PROSPECTS FOR WASHINGTON SUMMIT

HK180852 Beijing RENMIN RIBAO in Chinese 18 Oct 86 p 6

["Jottings" by Sai Bei (1049 0554): "Heading for Washington?"]

[Text] Following the Iceland summit meeting, the United States and the Soviet Union mutually accused each other. After that, they talk again about another meeting in Washington.

The situation in the Iceland meeting was gradually revealed. According to statements and reports issued by various quarters, both sides had originally reached an agreement on respectively reducing 50 percent of their strategic nuclear weapons, and destroying their medium-range missiles deployed in Europe. However, the negotiations collapsed when touching upon the problem whether the reduction of nuclear weapons should be linked with the ban on manufacturing and testing space weapons. It was obvious that although no written agreement was reached at the Iceland meeting, both sides had expressed their willingness to reach an agreement on some important issues. This has laid a foundation for the continuation of their meeting.

Before the Iceland meeting was held, all the world hoped that it would make a contribution to easing international tension. After the meeting, some people felt disappointed. However, most people hope that heads of state of the United States and the Soviet Union will continue their talks. This is because factors of success still exist in the failure of the previous meeting. Such hope pinned by the people of various countries in the world on the American-Soviet summit meeting has undoubtedly constituted a pressure on the two countries. They are compelled to seek another opportunity to continue their talks.

Obviously, as long as the two sides are willing to talk, there is an opportunity of success. Both sides are holding talks in Geneva on the reduction of nuclear arms. In early November, foreign ministers of the two countries will meet at a meeting in Vienna on reviewing the Helsinki agreement on European security. In addition, Gorbachev expected that the Washington meeting "would yield positive results," and some White House officials stated that the United States "still welcomes" him to hold the meeting in Washington. The problem is whether they can devise a plan on the space weapons acceptable to both sides. This remains to be seen.

TA KUNG PAO ON U.S.-USSR RELATIONS AFTER ICELAND

HK170823 Hong Kong TA KUNG PAO in Chinese 16 Oct 86 p 3

["Feature Article" by Chung Fei (6988 7236): "U.S.-Soviet Relations Viewed in Light of the Iceland Meeting"]

[Text] Reagan Acts Tough and Gorbachev Wins Matching Toughness With Softness [subhead]

There has been global despair over the failure of the Iceland meeting between the leaders of the United States and the Soviet Union.

Given the complexity of U.S.-Soviet relations, what Reagan and Gorbachev talked about covered an extremely wide range, with practically everything in the world, from armaments to human rights, included. People originally had not expected the solution of all problems in two days. An impromptu meeting was added giving people an impression of progress in the talks. It was reported that there really were some results, with some progress made in talks about long- and medium-range missiles and even on the human rights problem. But everything was overthrown once the U.S. star wars program was taken up.

This made people feel doubly sorry about it.

There is nothing strange about the meeting not yielding results from the angle of the Reagan administration's strategy toward the Soviet Union.

There are now two features marking U.S.-Soviet relations. One is Reagan's tough line about competiton, and the other is Gorbachev's matching that toughness with softness.

Between the 1960's and the 1970's, Soviet strength expanded sharply, while the United States, bedevilled with the Vietnam war and domestic problems, had a drain on its national resources. With Reagan's rise to power in the 1980's a strong stance was assumed in another bid for military superiority. After 1982, the U.S. economy recovered and grew all the time, though not strongly. This strengthened the Reagan administration's confidence, with its demand for greater competitiveness with the Soviet Union at various military levels and in various relevant fields. Great economic strength and advanced technology were relied upon to wear down the Soviet Union through a protracted arms race. The "strategy of competition" has been set as the focus of U.S. defense policy for the coming few years.

The resolute introduction of the star wars program, the announced resumption of research on chemical weapons and the declaration of freedom from the bonds of second-stage [di-er jie-duan 4574 0059 7132 3008] strategic weapons -- all these are decided under the guidance of this competition strategy.

The Soviet Union Has Readjusted its Foreign Policy [subhead]

This has led to the rise to power of U.S. conservative forces. Some liberals in the Democratic Party have also changed their party's attitude toward the use of military strength.

Shultz has therefore declared: "We have reason to believe that the balance of strength has again become favorable to us."

The line defined at the 27th Congress of the CPSU has also stimulated U.S. determination to take the offensive.

With Gorbachev in power, a series of readjustments have been made in Soviet foreign policy. The guiding principle was clearly defined at the 27th Congress of the CPSU as "accelerated stratgic development," with invigoration of the economy and strengthening of comprehensive national resources viewed as a strategic task that calls for immediate attention. Toward the United States, the Soviet attitude has become more flexible, with competition for hegemony not abandoned as prerequisite. The Soviet Union has put forward a series of disarmament proposals, offered to stop nuclear testing, and launched "a peace offensive," matching toughness with softness. But it must be noted that the Soviet Union will never allow such "flexibility" to hurt its fundamental interests.

From this, it can be seen that it is no accident that the United States and the Soviet Union have again reached deadlock over the star wars issue.

The development of East-West relations in the aftermath of the Iceland meeting can be viewed in light of both good and bad.

As far as that which is good is concerned, the United States and the Soviet Union did "come unusually close to reaching an agreement." Both sides proposed relatively similar and quite large reductions in nuclear arms. Reagan's "brand new proposal" called for a 10-year delay in deploying the star wars program, on condition that the two countries completely destroy all ballistic missiles. [paragraph continues]

The Soviet Union on its part suggested a reduction by half of each side's nuclear weapons, and the total elimination of both sides' medium-range misiles in Europe (not including those belonging to Britain and France). There was to be a freeze on Warsaw [Pact] guided missiles with a range of 1,000 kilometers, and the retention by the Soviet Union in Asia, and the United States on its own territory of medium-range missiles with a total of 1,000 warheads.

The West Considers That There Is No Need for Pessimism [subhead]

All this is what the world likes to see. Just as British Prime Minister Mrs Thatcher said, a big step has been taken in the direction of strengthening arms control. The meeting did not reach a final agreement, but it is showed that the United States and the Soviet Union can, in certain areas, achieve great progress. If both sides continue making efforts on this basis, there is still hope for the future.

Judging by remarks from both sides after the meeting, there is nothing blocking the path to further dialogue. As soon as the meeting ended, Gorbachev suggested to Reagan that they holding "overall talks on the prohibition of nuclear testing." Though there is no definite date for Gorbachev's visit to the United States, the United States and the Soviet Union did not rule out the possibility of his meeting Reagan again in the United States this year. Contacts at relatively low levels, including foreign ministers level will continue.

Therefore, some Western leaders consider that though the meeting was a failure, there is no need for pessimism.

As far as that which is bad is concerned, the United States and the Soviet Union are divided over the U.S. star wars program. This difference will continue to be an obstacle to an agreement for both sides.

The Soviet Union has made a series of concessions, but it has never given up its determination to maintain a military balance and to contend for superiority in space. It should be pointed out that the Soviet Union has advanced in the space technology field and surpasses the United States in certain areas. Gorbachev declared long ago that the Soviet Union had found "a convincing countermeasure" against the "star wars program."

If the Reagan administration insists on acting irrationally over the "star wars program" and sticks to its guns, a Soviet switchover to a tough stand is not impossible. Western analysts generally consider that there is military pressure behind the scenes on Gorbachev to act tough toward Reagan.

BAN YUE TAN ON SOVIET POLICY ON CAMBODIA

HK190706 Beijing BAN YUE TAN in Chinese No 19, 10 Oct 86 pp 52-54

[Article by Tang Tianri (0781 1131 2480): "Sino-Soviet Relations as Seen From the Cambodian Issue"]

[Text] The Vietnamese invasion of Cambodia is the greatest of the three major obstacles to the improvement of Sino-Soviet relations. It generates heat and has led to confrontation between China and the Soviet Union. Not long ago, Chinese leader Deng Xiaoping also said this in a conversation with American television reporter Mike Wallace. Deng Xiaoping said: "If this obstacle is removed, I am willing to break my own rules by meeting Gorbachev in any part of the Soviet Union. I believe that such a meeting would have great significance for the normalization of Sino-Soviet interstate relations." The question of how Soviet leaders view this issue is drawing worldwide attention.

People have noticed that in the speech he delivered in Vladivostok on 28 July, CPSU Central Committee General Secretary Gorbachev avoided the issue of total withdrawal of Vietnamese troops from Cambodia but only said in passing that the settlement of this issue "depends on the normalization of Sino-Vietnamese relations." What he meant is that the Soviet Union is not involved in the Vietnamese invasion of Cambodia. Obviously, what he said is not an explanation of the history and current state of the Vietnamese invasion and occupation of Cambodia. It cannot explain the deterioration of Sino-Vietnamese relations either.

Why did Vietnam have the courage to start an aggressive war against Cambodia 8 years ago in utter disregard of worldwide condemnation? The reason is simply that it was backed by the Soviet Union. In early November 1977, Le Duan, the late general secretary of the CPV Central Committee, led a delegation to Moscow to attend the October Revolution celebrations and to plan the invasion of Cambodia with Soviet leaders. The Soviet Union promises to give Vietnam more military aid to prepare for the invasion. In late October 1978, Le Duan led another delegation to Moscow and signed a treaty on the "friendly cooperation" between the two countries with Brezhnev, which is in fact a military alliance treaty. Secure in the knowledge that it had strong backing, Vietnam "blitzed" Cambodia long before the ink of the signatures on the treaty was dry.

How could Vietnam sustain its invasion and occupation of Cambodia for about 8 years and openly resist the resolutions adopted by more than 100 countries at several UN General Assembly meetings by refusing to withdraw all its troops from Cambodia? The reason is simply that it has the "full support of the Soviet Union." According to one report, before the invasion, Vietnam on the average received more than $400 million in aid from the Soviet Union each year. However, since its invasion of Cambodia, the total amount of aid it receives from the Soviet Union each year has increased to $2.5 billion. Most of this is military aid. Soviet leaders have repeatedly announced that as far as the Cambodian issue is concerned, "the Soviet Union's immutable principle is that it gives full support to Vietnam." Le Duan once frankly said that Vietnam "relies on its close unity and comprehensive cooperation with the Soviet Union" for the implementation of its line. Vietnamese Foreign Minister Nguyen Co Thach has also admitted that "without the Soviet Union, Vietnam could accomplish nothing."

Why do the Vietnamese authorities dare to make the 1 billion justice-upholding Chinese people their enemy, to pursue an anti-Chinese national policy, and to incessantly carry out armed provocations on the Sino-Vietnamese border? According to their own leaders, the reason is simply that Vietnam has the support of the Soviet Union. In an article, Vietnam's QUAN DOI NHAN DAN admits that the reason is that "Soviet leaders fully support Vietnam against China." Precisely because of this, Vietnam is still stubbornly and flagrantly clinging to an anti-Chinese stand.

Facts will show that the Soviet Union is not only involved in the Vietnamese invasion of Cambodia, it is directly involved in it. It can be said that without the Soviet Union's "full support," the Vietnamese invasion of Cambodia would not have taken place and Sino-Vietnamese relations would not have deteriorated. As the saying goes: "The one who creates a problem should be the one to solve it." The Soviet Union can indeed do something about this. At present, it has the following two alternatives:

-- It can continue to "give full support" to Vietnam's invasion and occupation of Cambodia in order to help Vietnam realize its dream of creating an "Indochinese Federation." The facts over the past 8 years have told us that by supporting Vietnam's invasion and occupation of Cambodia, the Soviet Union has brought an unprecedentedly dreadful national disaster to Cambodia, seriously endangered peace in Southeast Asia, and threatened China's security. Under such circumstances, the Chinese people can only resolutely help the Cambodian people and the Democratic Kampuchean resistance forces, as they did in the past, to fight against the Vietnamese aggressors to the end or until they achieve victory. In this way, the Cambodian issue will continue to generate heat and because of this heat, Sino-Soviet relations will remain dominated by confrontation.

-- It can make the Vietnamese withdraw their troops from Cambodia and cool down the heat and put an end to the confrontation in Sino-Soviet relations by withdrawing their support for the Vietnamese invasion and occupation of Cambodia. In this way, the Soviet Union can contribute to bringing about a Sino-Soviet summit and pave the way for the normalization of Sino-Soviet interstate relations.

International opinion holds that Soviet Union can choose either of these two alternatives at its discretion. It is hoped that the Soviet Union will learn from past experience, change over to new ways, and make a sensible decision by choosing the second alternative. However, there is not even the slightest suggestion that the Soviet Union will withdraw its support for the Vietnamese invasion of Cambodia. However, it is also said that the Soviet Union still cannot arrive at a conclusion because its leaders are divided on this issue. Thus, future Soviet moves concerning this will be worth observing.

RADIO VIEWS SINO-SOVIET ECONOMIC RELATIONS

OW200222 Beijing in Russian to the USSR 1800 GMT 17 Oct 86

[Newsletter: "Steady Growth of Trade and Economic Relations Between the PRC and the Soviet Union]

[Text] Trade and economic relations have been developing rapidly between the PRC and the Soviet Union in the last few years. The total volume of Sino-Soviet trade turnover during the 1981-85 period reached 10 billion Swiss francs, a greater volume than ws recorded in mutual trade during all the years of the seventies combined.

The volume of Sino-Soviet trade in 1985 amounted to 4.6 billion Swiss francs, a new record annual volume in mutual trade for the last 25 years.

The Soviet Union, one of China's main trade partners, now occupies sixth place in foreign trade after Japan, the Hong Kong and Macao regions, the United States, the FRG, and Singapore.

Our country imports from the Soviet Union rolled steel, pig iron, ferrous metals, lumber, and other products and exports to the Soviet Union tungsten ore, soy beans, corn, green nuts, meat, meat products, applies, and other goods.

During PRC State Councillor and Vice Premier Yao Yilin's visit to the Soviet Union in 1985, the governments of the two countries signed a long-term trade agreement for the 1986-1990 period and an agreement on technical-economic cooperation, providing for the participation of the Soviet Union in the construction and reconstruction of some industrial projects in China.

Specialists expect that economic and trade relations between China and the Soviet Union will grow steadily in the next 5 years.

Trade between Heilongjiang Province and the autonomous region of Inner Mongolia of China on the one hand and border regions of the Soviet Union on the other have developed rapidly since 1983.

Their total trade turnover reached 140 million Swiss frances between 1983 and 1985. In addition the Xinjiang Uygur Autonomous Region of China this year began trade with five union republics of the Soviet Union: The Kazakh, Kirgiz, Tadjik, Turkmen, and Uzbek republics.

The satisfactory development of trade between the border regions of the two countries serves as an important addition to the intergovernmental trade between China and the Soviet Union and contributes to improving economic life in the border regions of the two countries. It also has a beneficial effect on deepening friendship between the populations living on both sides of the Sino-Soviet border.

ZHEJIANG, XINJIANG DEVELOP TRADE WITH USSR

OW190007 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 18 Oct 86

[Text] Jiaxing City recently established economic and technological cooperation relations with Xinjiang's Shihezi City and jointly produced products for the Soviet market. Shihezi City has long enjoyed an important position in the agricultural-reclamation economy of Xinjiang as well as in other parts of the country. It has potential advantages for developing its economy and favorable conditions for trading with the Soviet Union. By establishing various forms of commercial and trading ties, entering into economic and technological cooperation with Shihezi City, and in setting up export-oriented plants, Jiaxing City has bright prospects for gradually developing import and export trade.

HU QILI WELCOMES NAKASONE 8-9 NOV VISIT

OW180610 Beijing in Japanese to Japan 2130 GMT 16 Oct 86

[Text] At the 15 October regular press conference, a Chinese Foreign Ministry spokesman announced that Prime Minister Nakasone would visit China on 8-9 November, at the invitation of General Secretary Hu Yaobang, to attend a ceremony to lay the foundation for the Japan-China Youth Exchange Center.

Touching on Prime Minister Nakasone's Visit to China at a meeting with an ASAHI SHIMBUN delegation on the afternoon of 15 October, Hu Qili, member of the Political Bureau and permanent secretary of the Secretariat of the CPC Central Committe, expressed expectations that friendly relations between China and Japan would be further promoted through Prime Minister Nakasone's visit.

At the meeting, Hu Qili expressed his gratitude for ASAHI SHIMBUN taking the lead to promote friendly relations even prior to the resumption of diplomatic relations between the two countries. He also stated: China and Japan have a long history of exchanges covering over 2,000 years. During this period, there have been twists and turns. We hope that the older generation of the two countries will give the younger generation of an education based on correct historical facts and will bring up a new generation having mutual respect, mutual confidence, and mutual understanding. In this way, the friendly relations between the two countries will continue from one generation to another.

On China's trade deficit with Japan, Hu Qili stated: It is not desireable for such a situation to continue for a long time. There will be bright prospects for bilateral trade only if it is based on equality and mutual benefit.

In reply to questions, Hu Qili also remarked on various issues including U.S.-USSR relations, PRC-USSR relations, and the building of socialist spiritual civilization.

In reply, Toichiro Hitotsuyanagi, the delegation leader and ASAHI SHIMBUN president, stated that while visiting various organizations in Beijing, he noted there were many young cadres full of confidence in achieving the four modernizations. He also said he was impressed with the colorful clothing.

STATISTICS BUREAU ON TRADE DEFICIT WITH JAPAN

OW181251 Tokyo KYODO in English 1207 GMT 18 Oct 86

[Text] Beijing, Oct. 18 KYODO — China recorded a 5.4 billion dollar deficit in trade with Japan in the first nine months of this year, a spokesman for the National Statistics Bureau here said Saturday.

Spokesman Zhang Zhongji said China's shipments to Japan in the January-September period amounted to 3,425 million dollars while its imports totaled 8,833 million dollars.

He said the exports and imports both declined, by 21.3 percent and 15.7 percent respectively, from the same period last year.

Zhang said China registered the 5.4 billion dollar deficit in its trade with Japan because of what he described as a drastic plunge in exports.

Zhang said China was not good at dealing with the reduction in crude oil prices and the yen's rapid rise in value against the U.S. dollar. He declined to go into details.

The Statistics Bureau, meanwhile, said China's overall exports amounted to 21.4 billion dollars in the first nine months of this year, compared with 30.36 billion dollars for imports. The figures represent increases of 14.8 percent for exports and 5.1 percent for imports compared to the same period last year.

According to the bureau, China's overall trade deficit declined by about 16 percent, to less than 9 billion dollars, from the corresponding period of last year because of the rise in exports.

It said both exports and imports made steady growth, except for those involving Japan.

Exports to the Soviet Union amounted to 880 million dollars and imports 900 million dollars, up 51.3 percent and 57.6 percent, respectively, from the like period last year.

Shipments bound for Eastern Europe totaled 940 million dollars and imports 1.37 billion dollars, or up 86.3 percent and 46.6 percent, respectively.

China's exports to European Community member nations amounted to 2.8 billion dollars, up 81.4 percent over the same period last year, and imports 5.45 billion dollars, a rise of 33.4 percent.

SHANGHAI MAYOR MEETS JAPANESE BUSINESSMEN

OW191221 Shanghai JIEFANG RIBAO in Chinese 9 Oct 86 p 1

[Excerpt] The Shanghai office of the Nomura Stock Company -- the biggest stock company in Japan -- officially opened yesterday on the 27th floor of the Lianyi Building. An opening ceremony was held in the evening at a small auditorium in the Jinjiang Hotel. Li Zhaoji, deputy mayor of Shanghai; Wang Daohan, advisor to the city government; and Secretary General Qian Xuezhong attended the ceremony.

Mayor Jiang Zemin met Yoshihisa Tabochi and Masanori Ito, president, and advisor of the Nomura Stock Company respectively, and their company at the guestroom of the City government yesterday morning. They came to Shanghai especially to attend the opening ceremony. Amid a warm atmosphere, Mayor Jiang congratulated them on the opening of the Nomura Sahnghai office. They also had a friendly conversation on economic cooperation in the future. [passage omitted]

DPRK EXTENDS CONDOLENCES ON LIU BICGEBG'S DEATH

OW180607 Beijing XINHUA Domestic Service in Chinese 1506 GMT 16 Oct 86

[Text] Beijing, 16 Oct (XINHUA) -- The Military Commission of the Workers Party of Korea Central Committee and the Ministry of People's Armed Forces of the Democratic People's Republic of Korea sent messages of condolence on 11 October to the Military Commission of the Chinese Communist Party Central Committee and the Ministry of National Defense of the People's Republic of China, respectively, on the passing of Comrade Liu Bocheng.

FOREIGN MINISTRY CONFIRMS SINO-VIET BORDER CLASHES

HK171442 Hong Kong AFP in English 1404 GMT 17 Oct 86

[Text] Beijing, Oct 17 (AFP) -- The Chinese Government said Friday that its border guards on the Sino-Vietnamese frontier had counter-attacked incursions by Vietnamese troops onto Chinese soil.

"Recently, Vietnamese troops have frequently carried out armed incursions in our own border area," a Foreign Ministry spokesman said.

"According to the principle of self-defence, our frontier guards in Yunnan have launched counter-attacks against provocative Vietnamese troops which they deserved, in our own territory."

(Earlier Friday, the VIETNAM NEWS AGENCY said Chinese artillery had fired 3,000 shells at 22 villages in the mountainous Vi Xuyen District of Ha Tuyen border province Wednesday, leaving "a large number of victims" among the local population.

(On Thursday, the official agency said that at least 100 Chinese soldiers had been killed in the same district Tuesday after Chinese infantry and artillery fired 35,000 shells in what VNA called their most violent attack this year.)

Clashes along the Sino-Vietnamese border have been frequent since their brief but bloody war in early 1979, when Chinese troops ventured into Vietnam to "teach a lesson" to Hanoi for invading Cambodia.

TIAN JIYUN CONTINUES VISIT TO ASEAN COUNTRIES

Visits Malacca, Holds Talks

OW161959 Beijing XINHUA in English 1538 GMT 16 Oct 86

[Text] Kuala Lumpur, October 16 (XINHUA) -- Malacca State of Malaysia wants China to invest in and have direct trade ties with the state, Chief Minister of Malacca Rahim Thamby Chik said this afternoon.

The chief minister said this during his talks with visiting Chinese Vice Premier Tian Jiyun who arrived in Malacca this morning. This is the first time that a Chinese Government leader visited the Malacca State.

"So far the investors in Malacca were coming from West European countries and the United States. We hope China will become an investor in Malacca. We also hope for a direct trade relation with China," the chief minister told the Chinese vice premier.

He said that there were some difficulties for Malacca to export palm oil to the markets in Western Europe and the United States. So Malacca hopes for China's help in its palm oil export.

Earlier this morning, the Chinese delegation was briefed by the chief minister on the history of Malacca and visited the culture museum and the Declaration of Independence Memorial of Malacca State. At noon, the Chinese vice premier called on the head of Malacca State Tun Haji Syed Ahmad Shahabuddin at his official residence and was entertained to a luncheon there.

After that the Chinese delegation visited the "Nyonya and Baba" Heritage Museum and the mini Malaysia project.

The earliest records of Malacca's history date back to 1403. It was a tiny fishing village then and its ideal location for trading gave impetus to its development. Within a short span of time, it grew into the capital of a sultanate extending out over half of the entire peninsula. It later became one of the busiest seaports in the world.

Meets Malaysian Prime Minister

OW171125 Beijing XINHUA in English 0856 GMT 17 Oct 86

[Text] Kuala Lumpur, October 17 (XINHUA) -- Visiting Chinese Vice Premier Tian Jiyun said here today that China and Malaysia should continue their efforts to search new ways to develop economic cooperations between the two countries.

Tian expressed the hope this morning during his meeting with Malaysian Prime Minister Dr. Mahathir Mohamad. The meeting lasted for 50 minutes.

Tian said Prime Minister Mahathir's visit to China last year has been strengthening the friendship between the two countries. He believed that the areas of cooperation between the two countries will be broadened through the mutual efforts.

The Chinese vice premier also briefed his Malaysian host on the economic situation and reforms in China.

Mahathir said China's prosperous economy will have a direct influence on the people in the region, which will enhance China's import and export capacity.

The increased contacts between the officials and businessmen of the two countries since his China tour last year are favorable to mutual understanding and economic cooperations, he added.

Taking part in the meeting were also Chinese Deputy Foreign Minister Liu Shuqing and the Malaysian Foreign Minister Datuk Rais Bin Yatim.

Views Economic Ties

OW171938 Beijing XINHUA in English 1657 GMT 17 Oct 86

[Excerpt] Kuala, Lumpur, October 17 (XINHUA) -- visiting Chinese Vice Premier Tian Jiyun and Malaysian Finance Minister Daim Zainuddin have expressed the hope for more efforts to boost economic cooperation between the two countries.

During the meeting today, they discussed the economic situation and finance system of their countries. [passage omitted]

Concludes Visit to Malaysia

OW180840 Beijing XINHUA in English 0725 GMT 18 Oct 86

[Text] Kuala Lumpur, October 18 (XINHUA) -- Chinese Vice-Premier Tian Jiyun left here this morning for the Philippines after winding up his five-day visit to Malaysia, the second leg of his four-ASEAN-nation tour.

Tian told XINHUA at the Kuala Lumpur Subang Airport that he discussed with Prime Minister Mahathir Mohamad and other Malaysian officials the possibility of developing economic relations between the two countries.

China, which concentrates on its economic modernization, has been seeking all possible avenues to expand cooperation with foreign nations including its neighboring ASEAN countries since it adopted a policy of opening to the outside world.

Earlier, Tian visited Singapore from October 11 to 14. He will visit the Philippines from October 18 to 21. His stay in Thailand, the last leg of his tour, will last from October 21 to 28.

Arrives in Philippines

OW181517 Beijing XINHUA in English 1223 GMT 18 Oct 86

[Text] Manila, October 18 (XINHUA) -- Chinese Vice-Premier Tian Jiyun and his party arrived here this afternoon for an official visit to the Philippines, the third leg of his four-ASEAN-nation tour.

This is the highest level Chinese delegation sent to the Philippines since its new government came to power last February.

Philippine Vice-President and Foreign Minister Salvador Laurel who met Tian at the airport said, "The Chinese vice-premier's visit is very significant. It will bring our two countries closer to each other."

During his 3-day stay here, Vice-Premier Tian will meet with President Corazon Aquino, and hold official talks with Laurel. He will also have talks with other members of the cabinet.

China and the Philippines established diplomatic relations in 1975, and Sino-Philippine relations developed further after the current Aquino government assumed office.

Manila newspapers today highlighted Tian's visit and the close ties between the two countries. Biographical notes on Tian released by the government-run PHILIPPINE NEWS AGENCY were widely carried in the press.

In a front page editorial, the "WORLD NEWS" pointed out that the vice-premier's visit marks a higher stage the friendly relations between the two countries have reached. The Sino-Philippines relations will stand all tests and no force can undermine it, the paper added.

Tian and his 15-member party arrived here after visitng Singapore and Malaysia and his last stop is Thailand.

Holds Talks With Laurel

OW181751 Beijing XINHUA in English 1449 GMT 18 Oct 86

[Text] Manila, October 18 (XINHUA) -- Chinese Vice-Premier Tian Jiyun and Philippine Vice-President and Foreign Minister Salvador Laurel today expressed satisfaction with the ever growing relations between China and the Philippines.

The two leaders made the expression in their one and a half hour talks this afternoon soon after the Chinese vice premier and his party arrived here. During their talks held at the executive house, the two leaders discussed bilateral relations and other issues of mutual concern.

Tian said in the talks that since the new government headed by President Corazon Aquino assumed power in February this year, the friendship and understanding between China and the Philippines have been further strengthened through mutual and friendly visits.

Tian stressed that the Chinese Government highly values the traditional friendship between the two peoples and hoped that his present visit will contribute to this friendship.

He also spoke highly of the measures taken by the Philippine Government to recover the economy, especially the emphasis on rural development.

The Chinese vice-premier said in order to help the Philippines, the Chinese Government will send one hundred tractors as gifts to the Philippines.

Laurel warmly welcomed Tian to visit the country and briefed him on the political and economic developments in the Philippines.

He told the Chinese guests that he was very happy to have another opportunity to continue his talks with Tian in Manila.

Laurel met Tian in June when he was visiting China.

Laurel appreciated very much the efforts made by the Chinese Government to correct the imbalance of trade between the two countries by importing more Philippine products.

On behalf of the Chinese Government, Tian invited Laurel to visit China again, to which the Philippine vice-president expressed his thanks and said he expects to go to China again.

During their talks both sides also exchanged views on internatioal and regional issues of mutual concern and held convergence of views on many of the issues.

Present on the talks were Chinese Vice-Foreign Minister Liu Shuqing, Deputy Secretary General of the State Council Wang Shuming, Chinese Ambassador to the Philippines Chen Songlu.

On the Philippine side were Trade and Industry Minister Jose Concepcion, Agrarian Reform Minister Herson Alvarez, Deputy Foreign Ministers Leticia Shahani and Mamintal Tamano.

Laurel Hosts Banquet

OW181818 Beijing XINHUA in English 1634 GMT 18 Oct 86

[Text] Manila, October 18 (XINHUA) -- Philippine Vice-President and Foreign Minister Salvador Laurel said here today that close cooperation and friendship between the Philippines and China "can only strengthen the fabric of world peace."

Laurel was speaking at a banquet we gave here this evening in honor of visiting Chinese Vice-Premier Tian Jiyun.

He said, "Our relationship is rooted in the inexorable and immutable propinquity, both in history and geography, and in the common interests of our people."

The vice-president noted that in the friendly talks he had with Vice-Premier Tian earlier today, "We found a remarkable convergence of views on global and regional questions of common concern."

The talks, he added, would "deepen mutual understanding between us, an understanding that is so vital to the relations between neighbors."

"We have been watching closely the evolution of China's new econmic policies and the fruits they have borne," he said, adding "a strong and prosperous China will add immensely to the peace and prosperity of the world."

In reply, Vice-Premier Tian Jiyun said "When the Philippines was at a critical historical juncture in February this year, the Philippine people demonstrated an indomitable will and strength and made their own choice. The new Government of the Philippines led by Corazon Aquino has won the support of the people and has been working hard to stabilize the internal situation in the Philippines and rebuild and revitalize its economy."

"We sincerely hope that the Philippine Government and people will overcome current difficulties and bring stability and prosperity to their country," he said.

Vice-Premier Tian said since the establishment of diplomatic relations, satisfactory progress has been made in the friendly relations and cooperation between the two countries.

With the forming of the new Philippine Government, there have been broader prospects for increased consolidation and strengthening of these relations, he said.

He pointed out that both China and the Philippines share the sincere desire to steadily promote cooperation in various fields. With the joint efforts of the two governments and peoples, Sino-Philippine friendship and cooperation will surely yield even more fruitful results.

Friendship and cordiality reigned at the banquet. Vice-President Laurel sang a popular Italian song in the course of the banquet to show his welcome to the Chinese guests.

Vice-Premier Tian and his 15-member party arrived here this afternoon for an official visit to the Philippines, on the third leg of his four-ASEAN-nation tour.

Chinese Foreign Ministry officials travelling with the royal party were visibly shaken when they learned of the students' account.

"If it is true it is most unfortunate and a very unpleasant thing to say," one official said privately.

(In Beijing, the Chinese Government declined to make any comment on the Prince's remarks. "We have not yet read any official report and we decline to comment," a Foreign Ministry spokesman said by telephone.)

The remarks have been widely covered in the British press. The prince was depicted on the front page of the SUN with "slitty eyes" and a headline: "Philip Gets It All Wong." The DAILY MIRROR called him the "Duke of Hazards." [passage omitted]

Spokesman Reacts to Remarks

HK180130 Hong Kong AFP in English 0119 GMT 18 Oct 86

[Text] Kunming, Oct 18 (AFP) -- A Chinese Government spokesman has moved to squelch a simmering controversy surrounding Queen Elizabeth's China tour over insulting remarks made by her husband, Prince Philip, telling reporters that the trip had been very smooth and he had not heard the prince's words.

The visit has been very smooth and successful, Assistant Foreign Ministry Spokesman Li Zhaoxing said late Friday in response to reporter's questions. The queen and the prince have said on several occasions that their stay has been very pleasant, he comented.

He said he did not hear the remarks, "for I was not there." Analysts sad that Mr Li's comments, carefully prepared before delivery, reflected Chinese determination to prevent the incident -- in which the Duke described Beijing as ghastly and said that foreigners who stayed in China too long would get "slitty eyes" -- from interfering with bilateral relations.

The queen and the prince also appeared to be attempting to put the episode behind them, observers said. On Friday morning, the prince told reporters that students who conveyed his remarks to the press were rather tactless, but he posed in the afternoon with costumed dancers at the minority nationalities institute, patting several of them on the back.

Queen Elizabeth, wearing an emerald-green two-piece suit, remained stony-faced throughout the afternoon visit to the institute, but smiled broadly at an evening banquet with the governor of this tropical southwestern province and appeared delighted with presents she was given at a ceremony watched by photographers.

Analysts said the spokesman's comments and attempts by both sides to put a good face on the incident did not necessarily mean Chinese officials had accepted the prince's remarks in the joking manner in which the Palace spokesman said they were intended.

"We are a big country and very tolerant," said one Chinese "but we don't forget."

Potential fallout from the prince's remarks -- made in a conversation with British students in Xian on Thursday -- includes a slowdown in some of the many projects initiated during the visit, partly as an expression of goodwill on the Chinese side, analysts said.

QUEEN'S TOUR 'TARNISHED' BY PHILIP'S REMARKS

HK171506 Hong Kong AFP in English 1442 GMT 17 Oct 86

[By Lawrence MacDonald]

[Excerpt] Kunming, China, Oct 17 (AFP) — Queen Elizabeth II's China tour, buffeted by controversy over disparaging remarks her husband Prince Philip reportedly made about his hosts, appeared to be headed for further disruption Friday — by a typhoon.

The Queen's personal press secretary Michael Shea told reporters in this southwestern provincial capital that Typhoon Ellen was threatening to delay the arrival of the Royal Yacht Britannia in Canton, where the Queen had been scheduled to put to sea Saturday following a grand farewell.

"We are looking at ways to get around this should the Britannia not be able to get into Canton," Mr Shea said.

The Queen is scheduled to board the yacht and finish off her tour with a two-day visit to Hong Kong at the mouth of the Pearl River Delta.

Meanwhile, the Duke of Edinburgh posed with colorfully-costumed dancers during an afternoon at the National Minorities Institute here, patting several on the back in what palace watchers said was an attempt to counter reports tht he had described Beijing as "ghastly" and joked that foreigners who remained in China too long would get "slitty eyes."

At the conclusion of the visit, Prince Philip, in an unusual gesture, personally arranged for a portrait of the Queen on stage with the dancers.

When one of the photographers called out "Thank you, sir," Prince Philip replied, "Well, I've got to do something right sometime."

The Queen, who wore an emerald-green two-piece suit with matching emerald hat and black accents and accessories, remained stone-faced throughout the visit, with even the songs and dances by Tibetans and other ethnic minority groups and an English rendition of Auld Lang Syne failing to raise a smile.

Chinese officials, recovering from their initial shock of learning of the Prince's remarks, tried to put a polite face on the remainder of the trip, but observers said the abundant good will shown at the start of the visit had been tarnished by the incident.

Mr. Shea said Wednesday that Prince Phillip's comments to British students from Edinburgh University studying in Xian, west China, were meant to be joking and private. He declined to comment Friday on fresh reports that the Prince had also told the students he believed the Chinese did not like mixing with "foreign barbarians."

Earlier Friday, the Prince himself appeared to tacitly confirm that he had made the remarks, accusing the students who had relayed them to the press of lacking tact.

"I thought the Edinburgh students were tactless," the Prince told reporters who asked if he had not been "too blunt" in the conversation with the students.

China and Britain have agreed to cooperate during Hong Kong's run-up to Chinese rule in 1997, and suggestions of a breach could have serious effects on the territory's volatile financial markets, at a time when they are playing an increasingly important role in China's own development, analysts said.

Meanwhile, the royal party's visit to Guangdong, the fifth and final stop of the six-day tour, was in serious jeopardy from a typhoon that threatened to prevent the arrival of the royal yacht Britannia, on which the queen is to sail for Hong Kong Saturday night.

Many planned activities in Guangdong, including a tree planting, a visit to a children's recreation centre and extensive dockside farewell ceremonies, would be impossible in the heavy rain that the typhoon was expected to dump on the city if it strayed near the shore during the royal visit.

Aide on Fence-Mending Mission

HK200111 Hong Kong SOUTH CHINA MORNING POST in English 20 Oct 86 p 1

[By Alistair McIntosh]

[Excerpt] A British fence-mending mission is under way to repair the damage by Prince Philip's now notorious "slitty eyes" remarks in China.

The travelling Royal Household has dispatched a senior aide to Beijing to help efforts to sooth Chinese feelings over the Duke of Edinburgh's remarks, made during an informal meeting with a group of young Britons spending a year studying in China.

Asked by the SOUTH CHINA MORNING POST if he was going to Beijing to help pick up the pieces, the aide replied: "Yes, and there will be a lot of them."

Publicly, the Chinese Foreign Ministry is acting as if nothing happened.

Privately, Chinese officials feel that the Duke has confirmed their worst fears about the British.

They are particularly hurt the Duke should have given vent to his feelings after Chinese authorities had taken great pains to ensure that the visit was a success.

A large number of Chinese officials at both central Government and provincial level had been working for six months to prepare for the first visit to China by a ruling British monarch, according to one Foreign Ministry official.

Although the visit had been a great success in most respects, said an official, the Duke's comments had cast a shadow.

Salt was rubbed into the wounds by British press reports of the duke's comments.

Headlines such as "Great Wally of China", "Philip, You've Got It Wong," and "Queen Velly, Velly Angry" have confirmed feelings that the British, in spite of their strenuous efforts to woo China, have a racist and patronizing attitude towards. [sentence as published]

It is belived the Buckingham Palace aide who is going to Beijing instead of coming on to Hong Kong from Guangzhou, the Queen's final stop on her current journey, will try to explain that the Duke's remarks were intended jocularly.

He will, in effect, have to explain the British sense of humour to senior officials who see nothing remotely funny in having their country slighted by a man who, in their eyes, represents an outdated fuedal system.

The Queen made no reference to the controversy which her husband's remarks generated in a farewell letter she sent from the Royal Yacht Britannia to the Chinese President, Mr Li Xiannian. [passage omitted]

QUEEN, DUKE ON FINAL LEG OF HISTORIC VISIT

Sightseeing in Kunming

HK171534 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 17 Oct 86

[Text] Today, Queen Elizabeth II of England and her husband Prince Philip, that is, the Duke of Edinburgh, went on a sightseeing trip in Kunming. They were given a warm welcome by the people they met on their way. Today, at 1000, accompanied by Wu Xueqian, state councillor and foreign minister, his wife (Bi Ling), Governor He Zhiqiang, and Vice Governor Zhu Kui, the queen and the duke went to the Xi Shan Park by car. The motorcade was about 1 km long. There was a large crowd on both sides of the road leading from (Jianzhunag) to (Gaoqiao), which is about a dozen km long. The people clapped their hands as soon as the queen approached.

Mayor [as heard] Pan Yingsheng of Kunming waited for the queen in fron of the Parks San Qing building. At 1040, the motorcade arrived at the San Qing Building. The queen and the duke got out of their car and went up to the building on a brown carpet. With keen interest, they viewed the beautiful Dian Chi. Mayor Pan Yingsheng gave the queen and the duke a brief introduction to the Xi Shan and Dian Chi resorts. The queen and the duke expressed their admiration for Xi Shan and Dian Chi.

At about 1100, the queen left the San Qing Building and went to the Hua Ting Monastery. The monks and nuns there gave her a warm welcome. Accompanied by Lang Ran, chairman of the city Buddhist Association, and Kai Qi, abbot of the monastery, the queen viewed the 500 magnificent arhat statues. At the monastery's main hall, the queen said to Governor He Zhiqiang: They have been preserved so well. It must be a very difficult task.

After lunch at (Xi Yuan) Villa, at 1300, the queen and the duke took a trip on Dian Chi aboard a yacht named Long Men. Today, many junks could be seen on the vast expanse of the misty Dian Chi. During the voyage, the queen cheerfully watched fishermen catching fish with nets.

After the yacht pulled in to shore near the (Da Guan Lou) Park, the queen and the duke, accompanied by Foreign Minister Wu Xueqian, Governor He Zhiqiang, and Vice Governor Zhu Kui, planted three rose stems, brought from England, behind one of the park's rockeries.

At 1510, the queen went to the Yunnan Institute for Nationalities. More than 700 students sang and danced on both sides of the road to welcome the queen.

Accompanied by President (Li Li) and other reponsible persons of the institute, the queen viewed a minority cultural relics exhibition. Shortly after that, she chatted with the teachers and students of the institute's Department of Foreign Languages and the English teachers there. In the institute's (Zhi Gong) Hall, students perfomed minority dancing. At the end of the performance, a responsible person of the institute presented a Bai Nationality costume to the queen and a flute to the duke.

Governor Gives Banquet

OW171538 Beijing XINHUA in English 1520 GMT 17 Oct 86

[Text] Kunming, October 17 (XINHUA) -- The governor of the southwest China's Province of Yunnan, He Zhiqiang, gave a banquet for the visiting British queen, Elizabeth II, and her husband Prince Philip, the Duke of Edinburgh, here tonight.

Summing up her experiences in Kunming in her toast, the queen said she had spent a most memorable day here. She found all the cities (she visited in China) were different and fascinating, she added.

After the banquet, the queen watched a program of minority people's dances and acrobatic items performed by local youngsters.

Welcomed to Guangzhou

OW180810 Beijing XINHUA in English 0707 GMT 18 Oct 86

[Text] Guangzhou, October 18 (XINHUA) -- British Queen Elizabeth II and Prince Philip, Duke of Edinburgh, arrived here from Kunming today in the company of Chinese State Councillor and Foreign Minister Wu Xueqian.

Landing at the Baiyun airport at 11:55 hours, the queen and her husband were greeted by Ye Xuanping, governor of Quangdong Province, and Zhu Senlin, mayor of Guangzhou. Two children presented bouquets to the royal couple.

Escorted by motorcycles, the royal couple were whisked away in a black limousine to the White Swan Hotel by the Pearl River. The streets, where the royal motorcade passed, were decorated with streamers, colored flags, balloons and potted flowers.

Foreign businessmen as well as those from Hong Kong and Macao attending the current China Export Commodities Fair lined the street in front of the exhibition building to get a glimpse of the queen. In the downtown area, local people gave the royal couple a rousing welcome. As the royal couple arrived at the White Swan Hotel, they were greeted by Henry Ying Tung Fok, vice-chairman of the board, and other executives of the hotel.

Honored at Guangzhou Banquet

OW180816 Beijing XINHUA in English 0710 GMT 18 Oct 86

[Text] Guangzhou, October 18 (XINHUA) -- British Queen Elizabeth II and her husband Prince Philip, Duke of Edinburgh, were honored at a banquet given by Governor Ye Xuanping of Guangdong Province soon after their arrival in this south China city today.

Chinese State Councillor and Foreign Minister Wu Xueqian and British Secretary of State for Foreign and Commonwealth Affairs Geoffrey Howe were present.

The main table was decorated with Chinese and British national flags made up of flowers.

The queen and Governor Ye toasted the further expansion of the friendly relations of cooperation between China and the United Kingdom.

The queen and Prince Philip were served with roast piglet, swallow's nest and Cantonese pastry by waiters. The last course was assorted fruits arranged in the shape of a boat, symbolizing a plain sailing home for the royal couple at the end of their China visit.

After the banquet, Quangdong governor presented the queen and Prince Philip a potted lanscape with a 60-year-old miniature tree known as "Fragrant in Nine Li (three miles)".

Hosts Reception, Ends Visit

OW181450 Beijing XINHUA in English 1442 GMT 18 Oct 86

[Text] Guangzhou, October 18 (XINHUA) -- British Queen Elizabeth II wound up her one-week state visit to China and left here aboard the royal yacht Britannia tonight.

Before leaving the Huangpu new port here, the queen gave a farewell reception on the royal yacht. The queen and her husband Prince Philip, the Duke of Edinburgh, welcomed aboard the guests, including Chinese State councillor and Foreign Minister Wu Xueqian and Guangdong Governor Ye Xuanping.

Messages Exchanged

OW101600 Beijing XINHUA in English 1534 GMT 18 Oct 86

[Text] Guangzhou, October 18 (XINHUA) -- British Queen Elizabeth II said before leaving China that her visit had set the seal on the warm friendship between her country and China.

She said this in a letter to Chinese President Li Xiannian before she and her husband the Duke of Edinburgh Prince Philip left here aboard the royal yacht Britannia tonight at the end of her one-week state visit to China.

Chinese President Li Xiannian sent a telephone message through Foreign Minister Wu Xueqian to the queen.

Li said in his message that the queen's visit had written down an important chapter into the annals of the Sino-British friendly relations and would certainly have a far-reaching impact on the further growth of friendly relations between the two countries and two peoples.

The queen furher said in her letter that she had a most exhilarating stay in China.

She referred to Li's speech of welcome in Beijing on the excellent state of Sino-British relations which, she added, had enabled her to pay a visit to the People's Republic of China.

The queen expressed the hope that the visit would provide a foundation for the building of even closer contacts.

In her letter to another Chinese leader Chairman Deng Xiaoping, the queen said her visit symbolized that the relations between the two countries had reached a new degree of warmth and friendliness.

Before leaving the Huangpu new port here, the queen gave a farewell reception on the royal yacht for Foreign Minister Wu Xueqian, who had accompanied the royal couple on the tour, Guangdong Governor Ye Xuanping and other guests.

The reception ended with the royal band beating a retreat.

A send-off ceremony was held on the dock, with over 2,000 well-wishers beating drums and gongs, playing music, and performing traditional Chinese dances.

Wu Xueqian and Ye Xuanping were present at the ceremony.

The queen waved back while the yacht left the port at 8:30 p.m.

ZHONGGUO TONGXUN SHE COMMENTS ON ROYAL VISIT

HK180942 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0759 GMT 18 Oct 86

[Commentary by reporter Xu Shaoling (6079 1421 3781) on the Queen's China visit: "A Visit Has an End, But Friendship Is Endless"]

[Text] Guangzhou, 18 Oct (ZHONGGUO TONGXUN SHE) -- Today, Queen Elizabeth II of England and Prince Philip, the Duke of Edinburgh, arrived in Guangzhou, the last destination of their China visit. Tomorrow, they will leave for Hong Kong aboard the royal yacht "HMS Britannia." They will return to London by airplane after a 2-day stay in Hong Kong. During her China visit, the queen had gone to Beijing, Shanghai, Xian, Kunming, and Guangzhou. Wherever she went, she was treated with utmost courtesy. China has given the British guests a most memorable impression. At a banquet given by the governor of Yunnan, the queen said that her visits to various cities had all been all very memorable.

Michael Shea, spokesman for the royal household, described the queen's visit as a historic event. He said: As the queen's secretary for 8 and a half years, I have been with the queen on her visits to 52 countries. However, I have never seen such a big crowd nor experienced such a warm welcome. He continued: In every city the queen visited, there was always a big crowd on both sides of various roads or near the hotel where the queen stayed. The scene was indeed moving.

Queen Elizabeth II of England had visited China at the invitation of President Li Xianning. She is the first British Monarch in history who has visited China. Her visits to socialist countries in the past 30 years or so since her coronation have been few and far between. Thus, her current visit has drawn attention from various quarters.

Judging by the elaborate ceremonies, people have noticed that China takes the queen very seriously. During her visit, Chinese leaders Li Xiannian, Deng Xiapong, Hu Yaobang, and Zhao Ziyang [order as published] successively met the queen. It seems that China regards her not only as the state head of Britain but also as the honorary leader of the British Commonwealth.

Of couse, what is more important is Sino-British relations, which are unprecendentedly good. Historical shadows over Sino-British relations have disappeared since the satisfactory settlement of the Hong Kong issue by the two governments. In a sense, Sino-British relations have entered a "honeymoon period." While meeting Queen Elizabeth II in Zhongnanhai, Hu Yaobang said that Sino-British relations are now in the best period and that they will become more excellent in the future.

What is worth mentioning is that China has shown a great interest in British science and technology and that Britain also intends to enter the large Chinese market. During the queen's visit, 25 British enterpreneurs including Sir (James Clemmingson), chief of the British Overseas Trade Bureau; and Sir (Eric Sharp), chairman of the board the British Cable and Wireless Company, held a large-scale "symposium on Sino-British economic and trade cooperation" with high-ranking Chinese trade officials in Shanghai. They discussed the problem of cooperation in fields of energy, transport, telecommunications, food processing, mining, and metallurgical industry. During the two-day symposium, both sides discussed 25 projects for cooperation, and agreements were reached on 14 of them. Two contracts were signed, including cooperative projects between the Cable and Wireless Company Limited and Jiangsu and Zhejiang Provinces -- the Changjiang Delta projects and the Shanghai telecommunications projects, amounting to 50 million pounds. Britain will play a positive role in developing China's coastal open cities. It can be expected that trade between China and Britain will increase by a large margin.

The queen's visit to China has brought friendship, but what is more important is that her visit will add a new chapter to the history of Sino-British relations. This is, naturally, a prospect we are glad to see.

TA KUNG PAO ON SIGNIFICANCE OF QUEEN'S VISIT

HK190654 Hong Kong TA KUNG PAO in Chinese 19 Oct 86 p 1

[Special dispatch from Guangzhou by staff reporter Li Huifen (2621 1920 7358): "Far-reaching Significance of the Queen's Visit to China"]

[Text] Guangzhou, 18 Oct (TA KUNG PAO) -- The British queen has rounded up her visit to China. Both the Chinese and British sides have highly appreciated this visit, agreeing that it has laid a new milestone for the development of cooperation between the two countries.

The queen's Beijing trip as the first part of her itinerary indicted that China had set store by the visit -- all four top party and government leaders of China met with the queen spearately in a special atmosphere. All of them unanimously emphasized that exciting progres had been made in the development of the relations between China and the United Kingdom in the past 2 years since the conclusion of the agreement on the issue of Hong Kong. The queen's current visit will give a great impetus to the futher in-depth development of the relations between the two countries and the friendship between the two peoples.

The British side shares the same view with China. The queen asserted: In the past 2 years, earnest efforts have been devoted to the thorough and smooth implementation of the Joint Declaration. And the cooperative spirit that has been established in this way will continue to lay a reliable foundation for the implementation of the thoughtful policy that is profoundly embodied in that document.

This indicates that the two sides are keeping pace with each other in enhancing their good relationship. As for the timing of the visit, it in no way means that there was no suitable opportunity for a royal visit in the past but that now is the most opportune moment for the queen to pay her visit, since the Sino-British joint declaration on the issue of Hong Kong has been in force for 2 years and everything has been brought onto the right track.

Regarding the economic field, the queen's current visit to China has also fulfilled the aim of enhancing the trade relations between China and the United Kingdom. While the queen was touring the Great Wall, another spectacular event was going on in Shanghai -- the queen had lent the royal yacht "Britannia" for trade talks held on the sea between Chinese and British businessmen and officials, which resulted in the signing of 14 agreements and letters of intent involving a total value of hundreds of millions of dollars.

In the meantime, in order to open up a new chapter in the cultural relations between China and Britain, the queen chose the welcoming banquet in Beijing to announce the establishment of British Royal Society Foundation for Chinese Research Fellows. Thanks to this foundation, first-rate Chinese and British scientists will have the opportunity to work together so as to make greater efforts for their countries, both of which have their own long history.

Deng Xiaoping said that the queen's itinerary had been well planned. Now that the whole trip has been rounded off, one has to agree that Deng was right. The queen's 5,000 odd-kilometer journey in China included an overview of both the vertical and cross sections of the country. The queen first arrived in Beijing, the capital and political and cultural center of China; and then she flew to Shanghai, an industrial and commerical city; after that she toured Xian, a famous cultural city; Kunming, a natural scenic area lying in the southwestern corner of the country; and, finally, Guangzhou, a coastal city that is opened to the outside world. Just as the queen put it, although she has seen only a very limited part of China, it is indeed a rare chance to have an overview of China's development in all fields during a single trip.

The queen's China tour has now wound up. But it also marks the beginning of a new era in which China and Britain will advance side by side while maintaining closer relations. In brief, the queen's current visit to China is a truly important milestone in the history of Sino-British relations.

BULGARIA'S LUKANOV, PARTY HERE FOR VISIT

Meet Yao Yilin

OW171928 Beijing XINHUA in English 1620 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) — Chinese Vice-Premier Yao Yilin met Andrey Lukanov, first vice-chairman of the Council of Ministers of Bulgaria, and his party here today.

During the meeting, both sides said that the two countries should share their experiences in socialist economic construction. They have great potential for economic and trade cooperation and should actively explore new areas of cooperation, they noted.

After extending a welcome to Lukanov on his first visit to China, Yao said that over the past few years Sino-Bulgarian relations have seen a healthy trend of growth in the economic, political, cultural and other fields. He said he is satisfied with the growth of bilateral relations.

Yao spoke highly of the thesis that in socialist economic construction, the ownership of social wealth should be separated from the power of operation, a thesis put forward by Todor Zhivkov, chairman of the Bulgarian State Council.

Lukanov said what he saw and heard over the last two days has shown China is progressing in a positive manner. This is important not only for the Chinese people but also for the people of the rest of the world.

He said Bulgarian-Chinese relations are good, their political dialog is deepening, and economic and trade contacts are increasing.

Four Documents Signed

OW181527 Beijing XINHUA in English 1216 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) — China and Bulgaria signed four documents here today.

They are 1987 protocol between the Chinese and Bulgarian Governments on goods exchange and payments, agreement between the Chinese Ministry of Foreign Economic Relations and Trade and the Bulgarian Commission for Labor and Social Affairs on vocational training and work of young Chinese workers in Bulgarian enterprises, 1987-1991 agreement between the Chinese State Education Commission and the Bulgarian Ministry of Public Education on direct cooperation in higher education, and memorandum on cooperation between the Chinese State Science and Technology Commission and the Bulgarian State Commission for Research and Craft.

Chinese Vice-Premier Li Peng and Andrey Lukanov, first vice-chairman of the Council of Ministers of Bulgaria, attended the signing ceremony.

Talks With Li Peng

OW181611 Beijing XINHUA in English 1553 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- Chinese Vice-Premier Li Peng said here today that China, with an active attitude, sincerely hopes to enhance friendly cooperation in various fields with the socialist countries in Eastern Europe.

Li said this during his second round of talks with Andrey Lukanov, first vice-chairman of the Bulgarian Council of Ministers.

In recent years, he said, big progress has been made in relations between China and the socialist countries in East Europe, not only in economic and technological cooperation but also in political dialogue.

Li also exchanged views with Lukanov on their respective countries' foreign policies and domestic situations.

Li said China perseveres in self-reliance and decides its attitude by distinguishing between right and wrong.

China, he stressed, will never align itself with any other country or group of countries, nor will it form strategic relations with any big powers.

At the same time, he added, China fully respects the foreign policies of other countries, including Bulgaria, which have been formulated according to their own conditions.

Andrey Lukanov said that the people of the world are now at a crossroads: To engage in their own countries' economic construction through international cooperation, or to aggravate the international tension and engage in the arms race.

Bulgaria adopts a peaceful foreign policy, he said. It maintains that every country, big or small, should make contributions to safeguarding world peace and avoiding nuclear war, he stressed. He said that Bulgaria is in a very important period of socialist construction. It is carrying out a structural reform to promote the socialist construction according to the principle that the ownership of social wealth should be separated from the power of operation.

Li briefed the Bulgarian visitors on China's on-going economic reform. To suit the economic reform, he said, China will also carry out political reform so as to improve its socialist system.

During the meeting, both sides also exchanged views on bilateral cooperation in the fields of economics, trade, science, technology and education.

Bulgarian Ambassador to China Doncho Donchev gave a banquet this evening on the occasion of the China visit by Lukanov and his party. Among those present were Li Peng and his wife, Zhu Lin, State Councillor Chen Muhua, Minister in Charge of the State Economic Commission Lu Dong and Minister of Light Industry Yang Bo.

Lukanov and his party will leave here tomorrow for a tour of Tianjin, Shanghai, Guangzhou and Shenzhen.

Talks With Li Peng

OW181611 Beijing XINHUA in English 1553 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) — Chinese Vice-Premier Li Peng said here today that China, with an active attitude, sincerely hopes to enhance friendly cooperation in various fields with the socialist countries in Eastern Europe.

Li said this during his second round of talks with Andrey Lukanov, first vice-chairman of the Bulgarian Council of Ministers.

In recent years, he said, big progress has been made in relations between China and the socialist countries in East Europe, not only in economic and technological cooperation but also in political dialogue.

Li also exchanged views with Lukanov on their respective countries' foreign policies and domestic situations.

Li said China perseveres in self-reliance and decides its attitude by distinguishing between right and wrong.

China, he stressed, will never align itself with any other country or group of countries, nor will it form strategic relations with any big powers.

At the same time, he added, China fully respects the foreign policies of other countries, including Bulgaria, which have been formulated according to their own conditions.

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He and Political Commissar Deng Xiaoping organized and commanded many important operations. In June 1947, they led a 100,000-strong army to cross the Huang he and marched for 1,000 li into the Dabei Shan, thrusting into the internal part of the Kuomintang-controlled area. Led by Liu and Deng, this mighty army, which caused the enemy to be panic-stricken and swept away all obstacles, wrote a brilliant chapter on strategic counterattacks in the history of our army. In the series of important operations, in particular the Shangdang, Ping-Han, Huai-Hai, and Cross-Chang-Jiang campaigns, Comrade Liu Bocheng demonstrated his extraordinary military commanding artistry. He had immortal merits in overthrowing the reactionary rule of the Chiang Kai-shek clique and in founding the PRC.

At the end of 1950, Liu Bocheng was assigned the task of establishing a military academy and was appointed as the president and concurrently the political commissar of the academy. He said: "We should stress learning new things without being divorced from the actual situation fo China's revolutionary war." "It is imperative to keep to the guiding thought of building modern national defense on the present foundation of our army." Due to the implementation of the principle of integrating theory with practice in running the school as Comrade Mao Zedong consistently advocated, the academy, within a few years, trained a large number of high- and middle-level military commanders noted for their ability and political integrity, making significant new contributions to promoting the building of a modern and regular revolutionary army.

Comrade Liu Bocheng was a member of the 7th to the 11th CPC Central Committees, a member of the Political Bureau of the 8th to the 11th CPC Central Committees, and a vice chairman of the 2d to the 5th NPC standing Committees. He was given the title of Marshal of the PRC in 1955 and had been a vice chairman of the Military Commission of the CPC Central Committee since January 1966. After 1982, however, he no longer filled any leading posts of the party, state, and army because of his age and health condition. With meritorious deeds and high integrity, Comrade Liu Bocheng enjoyed deep affection and respect from the hearts of the whole party, the whole army, and the people of all nationalities around the country.

In mourning Comrade Liu Bocheng, we must learn from him his noble revolutionary spirit and outstanding thought and character.

Comrade Liu Bocheng was infinitely loyal to the party and he always obeyed the leadership of the party Central Committee, the Central Military Commission and the party organizations to which he belonged. He said: "My oath at the time I joined the party was 'absolutely obey the party.'" He later always stressed to himself: "I am a senior cadre of the revolutionary army under the leadership of the party. I must show infinite loyalty to the party, set a good example for others, and educate the troops under my command to completely accept the party's centralized leadership and become honorable tools of the party." For several decades, his actions were as good as his words. He faithfully carried out his oath and became a model for the broad masses of cadres of the whole party and the whole army, especially for the senior cadres.

Comrade Liu Bocheng had great wisdom and courage. For the cause of the Chinese people's liberation, he always demonstrated the spirit of self sacrifice and took the initiative to assume the most arduous and dangerous tasks. He faced danger fearlessly and never evaded difficult tasks. He dared to go through fire and water and was duty-bound not to turn back. Using his foresight and strategic vision as a proletarian expert in military affairs, he despised all seemingly powerful opponents, took the initiative to dominate the military situation and defeated strong enemies. During his several decades of military life, he fought numerous battles and was wounded nine times.

Comrade Liu Bocheng liked to learn and was a very diligent reader. He adhered to the fine study style of combining theory with practice. He always attached importance to studying Marxist theory and Chinese and foreign military books from ancient to modern times. He creatively used that knowledge by integrating it with the actual situation of the Chinese revolutionary war. He was a noted Marxist military theorist of our party. His excellent art of military command, his strategy, and his original military writings formed an important component part of Mao Zedong Military Thought.

Comrade Liu Bocheng was open and aboveboard, honest and upright in his ways, and openhearted. He always took the whole situation into consideration, set strict demands on himself, but was lenient toward other people and never complained even if he was wrongly treated. Comrade Liu Bocheng received unfair treatment during criticism against the so-called dogmatic tendencies on military building in 1958, but he still strictly examined himself. In 1980, Comrade Deng Xiaoping clearly pointed out: "Anti-dogmatism during that time was wrong." This was also the unanimous opinion of the party Central Committee.

Comrade Liu Bocheng achieved great deeds and occupied high positions for a long period. However, he practiced frugality and was honest in performing his official duties. Throughout his revolutiinary life, he truly worked wholeheartedly for the cause of the party and people, refrained from claiming credit for himself despite his great deeds, voluntarily left high positions, and never monopolized power. He always enthusiastically educated his children, family members, relatives, old acquaintances, and staff members working with him and set strict demands on them. His revolutionary family style was deeply praised by all people.

In his later years, Comrade Liu Bocheng suffered from repeated illness but he still showed great concern for military building, national defense, and preparations against war. He called himself a "staff member not inside the organization" of the Military Commission. He actively made proposals to the Military Commission on strategic matters, military education and training, the building of military academies and schools, logistical support, and other things until he totally lost his power to think. He really spared no effort in performing his duty.

The passing away of Comrade Liu Bocheng is a great loss to our party, our army, and the people of our country. We must translate our grief into strength and work hard with concerted efforts to build our country into a modern and powerful socialist state with a high degree of civilization and democracy and to turn our army into a modern and regularized revolutionary army.

Eternal glory to Comrade Liu Bocheng!

HU YAOBANG DISCUSSES PARTY REFORM IN LIAOWANG

HK200824 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0949 GMT 19 Oct 86

[Text] Beijing, 19 Oct (ZHONGGUO XINWEN SHE) -- The latest issue of LIAOWANG magazine reveals that General Secretary Hu Yaobang said that our party will work out a plan for political structural reform within 1 year when he recently met with a WASHINGTON POST reporter delegation.

Hu Yaobang said this when answering the reporters' questions about the settlement of the leadership succession in China. He said: The general orientation and principles for party and state leader succession have been laid down.

First, it will be clearly stipulated that no lifelong tenure of leading positions will be maintained and no person can have the right to hold a leading position throughout his life. Second, the collective leadership system for the party and state will be clearly stipulated so as to prevent power from being concentrated in the hands of individuals. Third, a political structural reform program will be worked out within 1 year. On the basis of these three points, the 13th party congress next year will be able to better solve the succession issue of the party and state leadership.

When talking about the obstacles to the current reforms, Hu Yaobang said that in general, China's reform is developing smoothly, but it does not mean that there is no resistance. The resistance comes on the one hand from the leadership's lack of experience. On some issues, the leadership is hesitant or fails to work out a well-considered plan. On the other hand, the resistance comes from a small number of people's small production mentality and force of habit. He said: Reform is like a ball game under new rules, but the referee is still the old referee. In order to overcome such resistance, it is necessary first to, conduct persuasion and education among the people and second, to rely on practice.

RENMIN RIBAO COMMENTATOR ON NATIONAL CONSTRUCTION

OW182323 Beijing XINHUA Domestic Service in Chinese 0903 GMT 18 Oct 86

[RENMIN RIBAO Commentator: "Keep National Construction in the Forefront of Our Thoughts"]

[Text] Beijing, 18 Oct (XINHUA) -- In China's bright, sunny political sky,, a new, heartwarming sound is reverberating: the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization" proposes that in building socialist spiritual civilization, we should "always keep national construction in the forefront of our thoughts."

It is very important to acquire a deep understanding of the basic essence of "keeping national construction in the forefront of our thoughts" while studying the "resolution."

Thirty years ago, when the socialist transformation was basically completed, the song of peaceful construction was being sung throughout China. However, ever since the growing discordant sound of "taking class struggle as the key link" was suddenly introduced, the main melody of construction fluctuated and became intermittent. In particular, in the cultural and ideological fields, gunsmoke and bullets rained down for a long time. Sayings such as "make our pens guns" and "be vanguards on the ideological frontline" graphically described the condition at that time. Sayings such as "destruction comes first," "mass criticism leads the way" and "philosophy of struggle" were the steadfast standards. All these non-constructive views and goings on hampered and undermined educational, scientific, and cultural development and ideological and ethical well-being, interfered with and had violent impact on economic construction, and delayed the advance of history. Their influence is still felt even today, so much so that when building the socialist spiritual civilization is mentioned, some comrades take it for granted that "criticism and repudiation" and "ban and prohibition" have returned. The advancing of "keeping national construction in the forefront of our thoughts" should now serve as an easing, reassuring pill of lasting effect to those comrades who entertain lingering fears. Gone forever are thos tragedies of criticisms and repudiations which happened time and again in the ideological field to hurt comrades and undermine unity. We have entered a new period of construction.

As the "resolution" states, to always keep national construction in the forefront of our thoughts means we should do everything possible to unite the people and bring their socialist enthusiasm and initiative into play, to meet their cultural and intellectual needs, to raise their ideological and ethical standards, and to develop education, science, and culture. In short, we should do everything possible to facilitate the growth of the productive forces. It is especially important to stress the point of bringing the people's initiative into play. Without creation, there can be no construction. Since we should always keep national construction in the forefront of our thoughts, we must protect and encourage the people's initiative. This determines the purpose of socialist spiritual civilization, which is to add to what we have rather than serve as a destructive force.

In this sense, therefore, the philosophy of today's Chinese Communists is a philosophy of construction. We must not only be good at destroying the old world but also, more importantly, be good at building a new world. This is required for the building of material civilization. This is also required for the building of spiritual civilization. Only by keeping national construction in the forefront of our thoughts will we be able to successfully promote socialist spiritual civilization and ensure that progress is made in building material civilization.

Of course, not all viewpoints concerning national construction will be the same. But we must deal with this problem only by constructive methods. Discussion rather than criticism, reason instead of compulsion should be the rule in dealing with ideological problems. The purpose of discussion and reasoning is to get to the heart of the problem and seek a scientific answer to it. This, too, calls for the spirit of construction.

RECTIFICATION OFFICE ON VILLAGE PARTY WORK

OW190126 Beijing XINHUA Domestic Service in Chinese 0315 GMT 17 Oct 86

[Excerpts] Beijing, 17 Oct (XINHUA) — The Office of the Central Commission for Guiding Party Rectification recently pointed out: To make village-level party rectification successful, the most important thing is for party committees at all levels, in particular county party committees, to strengthen their leadership. At present, county party secretaries in many places are buried by heavy and irksome chores and, therefore, cannot spare any time or energy to conduct the party rectification task well. This situation must be changed. For this reason, the Office of the Central Commission for Guiding Party Rectification transmitted the Fujian Provincial Party Committee's circular on ensuring that the secretary or deputy secretary of the county party committee in charge of party rectification can concentrate his energy on party rectification during the period of village-level party rectification. [passage omitted]

The Office of the Central Commission for Guiding Party Rectification dispatched 12 work teams to places throughout the country in earty September to investigate local preparations for village-level party rectification. These teams noticed that only forceful leadership of the county party committee led to adequate preparation. [passage omitted]

These investigation teams also realized that most county party secretaries wanted very much to make village-level party rectification a success. But they had to attend too many meetings. One county party committee secretary attended meetings on as many as 26 days during the 45-day period from 1 August to 15 September. Yet, he had many other things to do as well. No wonder he had little time to oversee the party rectification work. This is not quite an isolated case. It is quite common. If this situation is not quickly changed, village-level party rectification can hardly be carried out successfully.

After hearing the investigation teams' reports, leading comrades of the Central Commission for Guiding Party Rectification said: At the outset of party rectification in the countryside, it was specifically pointed out and repeatedly stressed that the county party committee must shoulder the full responsibility. If strengthening leadership remains merely lip service or only words in writing without actually being done, this kind of work style itself does not conform and runs counter to the purpose of party rectification. A competent county party committee secretary must take whole situation into consideration and differentiate between what is important and what is less important. It is now emphasized that a division of labor should be exercised between the party and the government. The party must take charge of its affairs. It is a matter of course that county party committee secretaries should concentrae their energy to conduct party rectification well. Now, while acting in the spirit of the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization," county party committee secretaries must pay attention to party building and village-level party rectification. At the same time, from the party Central Committee to provinces, regions, municipoalities, and to prefectures and cities, each higher level of supervision or operational department must learn from the Fujian Provincial Party Committee's method, create favorable conditions for and warmly support county party committee secretaries in concentrating their energy to conduct village-level party rectification well, and ensure that they may do so.

OFFICIAL SEES 'NO ROOM' FOR PRIVATELY-RUN PAPERS

HK190414 Hong Kong SUNDAY STANDARD in English 19 Oct 86 p 7

[By Yan Mei-ning]

[Text] Although much improvement is needed in Communist China's press, there is defintely no room for privately-run newspapers, according to a highly-regarded Chinese columnist, Mr Xu Shi.

Mr Xu has earned great popularity with the Guangzhou population by contributing a daily commentary column to the YANGCHENG EVENING NEWS.

Using the pseudonym of "a tiny voice", his column concentrates on voicing the opinions and complaints of the average citizen.

The column also attracts much attention because Mr Xu dares to raise problems and short-comings of the administration.

Mr Xu was elected recently as one of the 10 outstanding public servants in Guangzhou. The election was similar to a public opinion poll and was conducted for the first time in the city by a municipal party committee supported magazine.

"Readers in China have developed a habit of reading newspapers from the bottom to the top. Most front page leads in our country serve as directives from top level decision makers. A gap therefore has been created between the lead story and the masses, said Mr Xu in an interview with the SUNDAY STANDARD.

"In addition, many news items published in the press in China are not really new.

"They try to deceive the readers by saying the event 'has recently taken place'," said Mr Xu, who not long ago retired from the YANGCHENG EVENING NEWS as editor.

"What we should report is yesterady (for daily papers) or this morning (for evening papers).

"Regardless of the political system, be it socialist or capitalist, news reporting should have the same characteristics and basis. Things reported in the press should be things of publishable value, which have happened very recently,"

He therefore advocates that the press in China should learn more from others' experience.

"We should learn from the good experience of pre-1949 China and the newspapers in the capitalist system, and discard the belief that we are the most righteous."

Mr Xu also criticized the belief that important articles must be very long.

"Long articles are written only for the author's enjoyment, because 80 to 90 percent of the readers will not read them. This is a big failure if we want our message to reach all sectors of society," he said.

YANGCHENG EVENING NEWS has the reputation of being the most lively and liberal paper among its fellow newspapers in the country.

It was closed down during the Cultural Revolution. Since its revival, it has taken the lead in introducing short articles and commentaries which are more reader-oriented.

Mr Xu said he was not afraid of any persecution. "My articles are only revealing facts. The masses have no place to air their views. So, as long as I have their support, I will not fear any attacks."

Asked whether commentary articles of his type would be allowed in China, Mr Xu said, depends very much on the political atmosphere of the country and the attitude of the Guangdong provincial party committee in particular.

"It is a combination of the right time, place and person," he added.

"My efforts should not be ignored. One must have confidence to write such commentaries. Articles which carry no critical points have no thought in them. I would rather close my eyes and take a rest than write that sort of thing."

But Mr Xu did not agree to his being elected as an outstanding public servant because of writing his column in the YANGCHENG EVENING NEWS.

"I am in a privileged position. I can express my opinion every day in the press, but others cannot."

Though he sounded liberal throughout the interview, Mr Xu toed the line of the Chinese Communist Party when it came to the possibility of publishing privately-run newspapers in the country.

"All our newspapers are published by government, party or public organisations. I am strongly against privately-run newspapers because it is difficult to control private enterprises," said Mr Xu.

His words certainly carry weight as he is serving on the standing committee of the Guangdong People's Congress and at the same time is the vice-chairman of the Guangdong Journalists Association.

"In capitalist countries, the rule of law is strict and stern. In our country, we are still in a stage of ruling by man, and control by law is not strong enough.

"If privately-run newspapers were allowed, publishers would increase their circulation and earn a lot of money by printing pornographic stories and pictures. In such a big country as China, it is not at all difficult to find 1 or 2 million backward readers," Mr Xu explained.

XINHUA SPEEDS UP NEWS DISPATCHING SYSTEM

OW140600 Beijing XINHUA Domestic Service in Chinese 1303 GMT 11 Oct 86

[By RENMIN RIBAO reporter Chen Shurong and XINHUA reporter Wu Shishen]

[Text] Beijing, 11 Oct (XINHUA) — China has achieved a breakthrough in speeding up news dispatches by using a microcomputer system. Every day XINHUA dispatches with unprecedented speed domestic and foreign news to various newspapers and radio and television stations.

At 1900 on 28 September, XINHUA transmitted the communique and "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization" which were adopted by the 6th Plenary Session of the 12th CPC Central Committee. It took only 7 minutes for press units to receive the 12,000-odd character scripts.

Speed is a virtue of the microcomputer system, which XINHUA has formally put into use in its partial network for Chinese transmission since the beginning of this year.

Since the 1950's, China has used fascimile to dispatch news in Chinese at an average of 2 characters per second. At this speed, the transmission of the communique and the resolution of the 6th Plenary Session of the 12th CPC Central Committee would have taken nearly 2 hours. Now, the new news dispatching system is capable of transmitting 30 characters per second, 15 times the speed of ficsimile. At the same time, consumers can receive clear and neat transmissions, enabling radio announcers to read directly from the transmission. In this way, news dissemination is considerably sped up.

According to reports, this news dispatching system has story input, editing, revising, storage, dispatching, and printing functions. At XINHUA's Chinese transmission center, the reporters saw operators putting news reports into the computers. After revising and proof reading, these reports will be automatically lined up and dispatched to consumers by the computers.

Presently, the microcomputer-controlled system for receiving news reports has been installed at 36 newspapers and radio stations across the country. When the system has been installed at all the country's newspapers and radio stations, news transmission in China will certainly see a significant change.

Jointly developed by XINHUA and the Commission of Science, Technology, and Industry for National Defense, with assistance from the Ministry of Electronics Industry and the Ministry of Posts and Telecommunications, the microcomputer system for processing Chinese news reports passed state tests today. In the experts' opinion, the practicality and reliability of this system has reached the current international level, and it is a major achievement in China's applied science and technology. Zhang Aiping, state councillor and minister of national defense, attended the test. Highly pleased with the accomplishment, he took up a writing brush and wrote down these words in Chinese ink: "Many technologies can be shared by military and civilian departments. In disseminating news, the processing system is a pioneer. While our news reports are disseminated on five continents, the people have again scored a new victory in airing the voice of China."

Representatives from a number of press units in the capital pointed out: A major task for reforming the press is to speed up news transmission. The 9 months since XINHUA began to use the microcomputer system for its Chinese transmission have testified to the great significance of the system in accurately and promptly disseminating information.

XI ZHONGXUN ADDRESSES CPPCC STANDING COMMITTEE

OW171100 Beijing XINHUA Domestic Service in Chinese 0755 GMT 13 Oct 86

[Text] Beijing, 13 Oct (XINHUA) -- Speech by Xi Zhongxun at the 13th Session of the 6th CPPCC National Committee Standing Committee:

Comrades and friends!

The 6th Plenary Session of the 12th CPC Central Committee has just been concluded. The 6th CPPCC National Committee Standing Committee has convened this 13th session to relay, study, and implement the guidelines set at that CPC Central Committee plenary session. As entrusted by the CPC Central Committee, I am going to talk to you about that plenary session and its basic guidelines. I will also brief you on the current economic situation and economic work.

The 6th Plenary Session of the 12th CPC Central Committee was a meeting marked by democracy and unity -- a meeting of vital significance and far-reaching influence. An important achievement of the plenary session was the adoption of the "Resolution of the Communist Party of China Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization." This resolution is an extremely important historical document resulting from ample deliberations and preparation and the development of extensive democracy. It is not only a collection of the whole party's wisdom, but it also includes the opinions of various democratic parties and people with no party affiliation. In the process of revising this document, many people, including comrades and friends who are here today, made good suggestions.

Based on the principle of combining fundamental Marxist tenets with China's actual situation, the resolution further expounds on the strategic importance, basic tasks, and fundamental guiding principles of building socialist spiritual civilization. It is a programmatic document for strengthening the building of socialist spiritual civilization in our country in the new historical period.

After the document was published strong repercussions appeared both inside and outside the party. During the period of national day celebrations many organizations made arrangements to study the document. Vast members of cadres and masses believe that this is a good Marxist document, a document that connects and accords with the "Decision on Reform of the Economic Structure" adopted by the 3d Plenary Session of the 12th CPC Central Committee and is comparable with the latter. Intensive implementation of the resolution is bound to have an enormous and far-reaching effect on pushing forward the building of the two civilizations in our country, on all-round reform and opening to the outside world, and on building socialism with Chinese characteristics.

This plenary session and the resolution it adopted also drew extensive concern and attention internationally. The international opinion is that the resolution is of strategic importance to China's future.

Using Marxism and Mao Zedong Thought as tools, the resolution sums up China's historical experience and its fresh experience since the Third Plenary Session in building socialist spiritual civilization, analyzes the current situation and work, and answers new questions regarding ideology and understanding that arise in practical work. Its contents are very rich and impressive. Now let me state some experience I have gained in learning this document, so that we can study the experience together: I think the resolution has the following characteristics.

First, the resolution upholds and develops the 12th party congress' guidelines. It epitomizes the overall scheme of our socialist modernization as "one key link and three tasks to be carried out unswervingly" -- that is, to take economic development as the key link and to unswervingly reform the economic structure, reform the political system, and strengthen the building of spiritual civilization. The resolution urges all comrades in the party to properly assess the strategic importance of building socialist spiritual civilization by proceeding from this overall scheme. On this basis it puts forward the basic guiding principles for building socialist spiritual civilization, that is, the work of building socialist spiritual civilization must be one of building a spiritual civilization to push socialist modernization forward, promite all-round reform and opening to the outside world, and uphold the four basic principles. The resolution unequivocally points that during the socialist period material civilization provides material conditions and practical experience for the development of spiritual civilization, while spiritual civilization gives spiritual impetus and intellectual support to the development of material civilization and provides a powerful ideological guarantee of its correct orientation. The resolution stipulates that the basic task in building the socialist spiritual civilization is to help people become well-educated and self-disciplined socialist citizens with lofty ideals and moral integrity and to raise the ideological and ethical standards of the whole Chinese nation, as well as its educational and scientific levels -- all in the interest of meeting the needs of socialist modernization.

I believe that this is the basic guideline set by the resolution. This basic guideline adheres to and develops the guidelines laid down by the 12th CPC National Congress. It completely conforms with the general requirements for building socialism with Chinese characteristics and with the Marxist ideological line of seeking truth from facts. On the basis of this basic guideline, the resolution clearly points out: It is necessary to mobilize and unite the people of all China's nationalities through a common deal.

The common ideal of the people of all our nationalites is to build socialism with Chinese characteristics and make China a modern socialist country that has a high degree of democracy and civilization. This is the inevitable conclusion of combining Marxist basic theories with the actual conditions in China, integrating the lofty ideal of realizing communism with China's goal of struggle at the present stage, and summing up the new situation since the convocation of the 12th National CPC Congress, particularly after summing up our past experience in the past 30-some years since New China was founded.

In the 30-some years since New China was founded we have experienced successes and learned bitter lessons. One of the lessons is that after the basic completion of socialist transformation we still persistently took the class struggle as the key link, failing to shift the focus of our work to economic construction. Another lesson is that, igorning the level of the development of our productive forces, the level of awareness of the people in the society, and basic social historical conditions, we imposed subjective ideas or unrealistically high standards on people and sought to build absolutely pure socialism. We wanted to make even larger adjustments to the relations of production and achieve an even higher degree of public ownership. We sought to chop off capitalism's tail and adhere to the socialist road under difficult conditions. All this actually distorts socialism and communism. As a result, it only serves to seriously harm our revolution and construction. We should forever keep in mind the misfortune brought about by this kind of unrealistic and unpopular guiding ideology. There is no doubt that our party's ultimate ideal is to build a communist society that applies the principle of "from each according to his ability and to each according to his needs." All conscious communists should never forget this point. At the same time, we must understand that socialism with Chinese characteristics is an indispensable stage in realizing the aforementioned ultimate ideal. All mature communists should fully understand this point. In pointing out the strategic importance, basic tasks, and fundamental guidelines of developing spiritual civilization, this resolution stressed China's goal and tasks at the present stage, as well as the need to make reform, implement the policy of opening the country to the outside, and develop the socialist modernization program.

Second, the resolution not only upholds the four cardinal principles, but also advocates the policy of reforming and opening to the outside world. Our experience since the 3d Plenary Session of the 11th CPC Central Committee proves that we must adhere to the four cardinal principles and firmly implement the policy of implementing reform and opening to the outside world in order to build socialism with Chinese characteristics. If we only adhere to the four cardinal principles without stressing the need to implement the policy of implementing reform and opening to the outside world, we will be forced to take the beaten path. If we only stress the need to implement the policy of implementing reform and opening to the outside world without adhering to the four cardinal principles, we will lose our bearings in forging ahead. The resolution correctly handles the relatins betwween the two. It clearly points out: Our spiritual civilization must promote the all-round reform and opening to the outside world and embody the four cardinal principles. Thus, it has eliminated one of the people's worries that to stress the need to adhere to the four cardinal principles and develop spiritual civlization means to "forbid people to express different opinions" and that the policy will soon change. This is apparently a misunderstanding. Our spiritual civilzation does not contradict the policy of implementing reform and opening to the outside world. They promote each other. The resolution points out: Our policy of launching all-round reform and opening to the outside world have infused our socialist cause with great vitality and have significantly promoted the development of spiritual civilization.

The resolution also points out: As a basic, unalterable state policy, opening to the outside world applies to our efforts to develop spiritual civilization, as well as to our work for the development of material civilization. This is to say, not only can the policy of implementing reform and opening to the outside world promote the development of spiritual civilization, such development can also promote the policy of making reform and opening the country to the outside world. At the same time, we must also point out: Our reform and open-door policy are being carried out under the guidance of the four cardinal principles. They are the perfection of the socialist system. The view that believes that reform and opening to the outside world will lead to capitalism is mistaken. Any attempt to negate the socialist system or advocate the capitalist system will also fail.

Third, the resolution keeps national construction in the forefront of our thoughts. In the past, due to the influence of "left" ideology, class struggle was magnified to the extreme in the ideological sphere for a long time. "Destruction" and mass criticism took the lead, and our comrades were hurt and unity disrupted. It damaged the building of both material and spiritual civilization. The resolution has drawn a lesson from this historical period and clearly put forward an important guiding principle, that is that we should always keep national construction in the forefront of our thoughts. We should do everything possible to unite the people and bring their socialist enthusiasm and initiative into play, to meet their cultural and intellectual needs, to raise their ideological and ethical standards, and to develop education, science, and culture. In short, we should do everything possible to facilitate the growth of the productive forces.

In the section on mobilizing and uniting the people of all China's nationalities through a common ideal, the resolution has given full expression to the spirit of unity and construction. The common ideal put forward by the resolution has embodied the interests and wishes of all workers, peasants, intellectuals, and other laboring people and patriots, and it is a powerful spiritual weapon to insure political, moral, and spiritual unity of all people and to overcome all kinds of difficulties. The resolution has pointed out that in order to realize this ideal, we must cherish those ideas and attitudes that promote modernization, national regeneration, and the reunification of the motherland; enhance the unity of our various nationalities; foster social progress and the people's well-being; and help to create a happy life through honest labor. Only thus can we do away with narrow-minded views on the question of uniting with all possible forces to build socialism -- views that for so long have seriously harmed our cause. Then it will be possible for party members and nonparty people, Marxists and non-Marxists, atheists and believers, citizens at home and those living abroad -- in short, for all our working people and patriots -- to rally together and do what they can to make our common ideal a reality.

The above statement has demonstrated boldness of vision and a broad-minded view. It shows that our party has become stronger and more mature. We must be magnanimous and unite all forces which can be united in order to successfully accomplish the great task of building socialist and modernization.

This great unity naturally includes the cooperation and unity between our party and all democratic parties and mass organizations. The CPPCC is a patriotic united front of the Chinese people. It unites all democratic parties, nonparty democratic people, mass organizations, people of minority nationalities, and patriotic people of all circles including compatriots in Taiwan, Hong Kong, and Macao, and Overseas Chinese abroad. It can give full play to its own advantageous position and develop a greater role in the political life of the party and state. It can more extensively unite people of all circles, actively support the building of modernization of the motherland, promote national reunification, and develop intellectual resources through various channels to serve the cause of modernization.

In short, the building of spiritual civilization with unity and construction as the guiding thought has provided a vast arena for the work of the CPPCC. Comrades and friends, you can certainly give full play to your abilities and make greater contribution in this arena.

The resolution has specifically expounded on the question of intensifying education in socialist democracy, legality and discipline, the question of the guiding role of Marxism in building spiritual civilization, and the question of responsibilities of CPC organizations and party members in the building of spiritual civilization. All those have a new significance, and I will not explain further now due to time.

CPPCC RESOLUTION ON SPIRITUAL CIVILIZATION

OW190200 Beijing XINHUA Domestic Service in Chinese 1214 GMT 18 Oct 86

[Text] Beijing, 18 Oct (XINHUA) -- Resolution on Studying and Implementing the Guidelines of the 6th Plenary Session of the 12th CPC Central Committee.

(Adopted by the 13th meeting of the Standing Committee of the 6th CPPCC National Committee on 18 October 1986)

Participants at the 13th meeting of the Standing Committee of the 6th CPPCC National Committee, after hearing a report by Comrade Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, on the guidlines of the 6th Plenary Session of the 12th CPC Central Committee, have earnestly studied and discussed the "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization." It is the consensus of the participants in the meeting that the CPC Central Committee's resolution is a programmatic document for intensifying the building of socialist spiritual civilization in China in the new historical period, and that it reflects the common aspiration of the people of all nationalities in the country. The meeting participants fully agree with and support the CPC Central Committee's general plan for socialist modernization and its guiding principles for building a socialist spiritual civilization in China. They hold that in building the socialist spiritual civilization put forth in the CPC Central Committee's resolution, it is necessary to promote socialist modernization, facilitate the comprehensive reform and opening to the outside world, and uphold the four cardinal principles, and that to correctly view the building of spiritual civilization in light of economic construction, comprehensive reform and opening to the outside world, and the four cardinal principles is of great immediate importance and of far-reaching significance in building China into a highly civilized and democratic modern socialist country.

The meeting notes that the CPPCC is the most extensive patriotic united front organization in China, embracing all democratic parties, non-party personages, democratic people, people's organizations, minority nationalities, and patriots from various circles, including compatriots in Taiwan, Hong Kong, Macao and Overseas Chinese. The CPPCC should make ample use of its advantages to play an important role in promoting unity and construction in the course of building spiritual civilization. The meeting calls on CPPCC organizations at all levels to mobilize members and staff workers to diligently study the CPC Central Committee's resolution in light of reality to raise their understanding, unify their thinking, and enhance their confidence in promoting socialist democracy and perfecting the socialist legal system in China and in making pertinent suggestions for the economic and political structural reforms and the building of spiritual civilization, thereby effectively performing their political consultative and democratic supervision functions.

It is necessary to organize and encourage members to take part in cultural and ideological activities in the joint endeavor to raise the ideological and ethical standards and to enrich the scientific and general knowledge of the people of all nationalities in the country. It is also necessary to conduct education, in various forms and through various channels, on socialism and patriotism, as well as on ideals, morality, general knowlege, and discipline, and to firmly criticize and resist decadent feudal and capitalist ideas and activities that are detrimental to reform and to opening to the outside world. CPPCC organizations at various levels should also display the fine tradition of self-education by encouraging members to voluntarily study Marxism for the building of spiritual civilization.

The meeting participants call on CPPCC organizations, at all levels, to closely incorporate the CPC Central Committee's guidelines for building a socialist spiritual civilization into their work and to map out feasible and effective measures to improve the work of the people's political consultative conference and contribute to the modernization of the motherland.

YU QIULI ON SCIENCE, DUAL-PURPOSE PERSONNEL

OW191403 Beijing XINHUA Domestic Service in Chinese 1306 GMT 17 Oct 86

[By RENMIN RIBAO reporter Luo Tongsong and XINHUA reporter Cheng Guang]

[Text] Baoding, 17 Oct (XINHUA) -- Yu Qiuli, member of the CPC Central Committee Political Bureau and director of the PLA General Political Department, stressed: To implement the party Central Committee's resolution on the guiding principles for building a socialist spiritual civilization, the Army should make marked achievements in studying science and culture and in training dual-purpose personnel.

Yu Qiuli made these remarks today at the Beijing Military Region's on-the-spot experience exchange meeting on training personnel for dual purposes. He said: The Army faces the new problem of how to strengthen army building in peace time. We have to do a great deal of work in this respect. For instance, we have to strenthen ideological and political work, education in war preparedness and military training, and management of army units, and to enforce strict discipline and various rules and regulations. However, there is no substitute for studying science and culture and training dual-purpose personnel. This is a strategic measure to strengthen army building under the new historical conditions.

Yu Qiuli highly praised a certain division stationed in Baoding for its exploratory yet successful efforts to arouse the enthusiasm of the Army units, the prefectures and counties where these units are stationed, and the fighters' native counties to train useful personnel. He said: fighters' native counties provided information on needed qualified personnel and were responsible for using the personnel trained for the dual purposes. The prefectures and counties where army units were stationed provided some teachers and space for practice, and the army units were responsible for teaching and management. The three sides coordinated with and encouraged each other and, as a result, the quality of training was ensured and the number of people thus trained adequate. This was a new experience. This method not only aroused enthusiasm of localities, the fighters, and fighters' parents, but enabled the trained personnel to meet the needs of localities and play a role in the four-modernizations drive.

Yu Qiuli also stressed: Army units should continue to build socialist spiritual civilization together with the people. He said: The party Central Committee's resolution on guiding principles for building spiritual civilization requires the Army to build spiritual civilization of itself and take an active part in the national drive to build spiritual civilization. This is a major task with which the party Central Committee has entrusted us. Undertaking joint Army-people projects to build spiritual civilization is the main form of the Army's part in the nationwide drive to build spiritual civilization for itself. It is imperative to take the resolution of the Sixth Plenary Session as the guide for launching intensive joint Army-people activities to build spiritual civilization. At present, concentrated efforts must be made to publicize the party Central Committee's resolution and promote the simultaneous building of material and spiritual civilization.

The Beijing Military Region's on-the-spot experience exchange meeting on training personnel for both military and local use was convened in Baoding City, Hebei Province, on 12 October. During the meeting, Yu Qiuli, He Qizong, and Xing Chongzhi heard briefings by the personnel of a certain division stationed there trained for dual purposes and viewed its on-the-spot demonstration. Qin Jiwei, commander, and Yang Baibing, political commissar of the Beijing Military Region, spoke at the meeting.

Inspects Hebei Villages

OW192356 Beijing Domestic Service in Mandarin 2230 GMT 18 Oct 86

[Text] On the afternoon of 18 October, Yu Qiuli, member of the Political Bureau of the CPC Central Committee and director of the PLA General Political Department, inspected with great interest (Zhangwang) Village in Mancheng County and (Tengjia) Alley in Baoding City -- two units in Baoding Prefecture, Hebei, that have distinguished themselves in building spiritual civilization through joint Army-civilian efforts.

Baoding was one of the first places to begin development of building spiritual civilization through joint Army-civilian efforts. From the end of 1981 to present, the number of Army-civilian joint construction points has almost reached 600. Of that number, more than 450 have been named civilized villages and units by leading organs at and above the county level.

During the inspection, Yu Qiuli said: In deepening the activities of building spiritual civilization through joint Army-civilian efforts, we must take the resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee as guidance, combine the building of spiritual with that of material spiritual civilization, and carry out the work well and in a down-to-earth manner.

He said: To implement these activities well, the most important thing is that the military itself must develop a good spiritual civilization so that it can play an exemplary role no matter where it is stationed, spread spiritual civilization everywhere it travels, and truly become a pacesetter in building spiritual civilization.

Qin Jiwei, commander of the Beijing Military Region; Political Commissar Yang Baibing; and Xing Chongzhi, secretary of the Hebei Provincial CPC Committee, accompanied Yu Qiuli during the inspection.

GUIDING IDEOLOGY SHIFT PROMOTES ARMY BUILDING

OW200103 Beijing XINHUA Domestic Service in Chinese 0305 GMT 19 Oct 86

[By reporter Chen Xiangan]

[Text] Beijing, 19 Oct (XINHUA) — This reporter has learned from a leading PLA organ that China has achieved breakthroughs in the overall task of building a modern and regular army since it changed its strategy in the guiding ideology for army building.

The Central Military Commission convened an enlarged meeting in June last year to decide on a strategy shift in the guiding ideology for army building in order to accomodate the needs of the new situation. In the past year, the PLA has undergone historically unprecedented great changes, such as troop reduction, reform, readjustment, ideological changes, reogranization, and changes in work methods and styles. It has entered a new period of development and manifested five new major trends:

1. After undergoing structural reform and troop reduction reorganization, the PLA has developed rapidly into crack troops, combined arms units, and highly efficient forces. The work of reducing the troops by one million in nearing the end. The establishment and organization of the whole army has developed from the longstanding basically-unified pattern into a variety of patterns set up in accordance with different tasks, localities, and whether conditions. New arms units and the Army's air units are being formed. With the troops being continually outfitted with attack helicopter gunships, the traditional operational tactics of the infantry will change. The proportions of the various arms units in the newly-formed group army of the Ground Force are more scientific in that the levels of command have decreased and the units have become increasingly integrated. The Navy and the Air force have become more efficient. The composition of the military has, for the first time, changed from the two traditional types of commanders and fighters to the three types of compulsory servicemen, volunteers, and officers, resulting in qualitative improvements.

2. Military training has become more scientific, modern, and varied. A new training system has been formed. The low-level repeated training of rank-and-file soldiers that has been practiced from many years has been eliminated, and multi-layer training by stages from low to high levels had begun. Special training according to aptitude, and vocational training have increased. There are over 1,200 kinds of technologies that must be mastered within a group army. With the adoption of laser and electronic simulated training equipment and automatic command systems and the establishment of the new training center of assigned operational tactics of the whole Army, the contents of campaign drills have moved to a higher plane, and there have been constant improvements in the capitalities of the troops to react swiftly, wage battles in coordination, engage in confrontations involving the use of electronic weapons, survive in field operations, and safeguard the logistics work.

3. Training of military personnel is more complete in terms of category and more rational in terms of level. The whole Army has initially formed in educational system with a sound foundation, a proper scale, and a fairly complete management system. Through readjustment and reform, the equipment of military academies is better suited to the needs of modernization and dealing with future wars. At present, military academies in the whole Army are divided into the two categories of command institutes and special technical schools. Composed of primary, secondary, and senior levels, these command institutes train officers at and above the levels of platoon and company, battalion and regiment, and division, respectively, while the special technical schools offer courses of special secondary schools, special high schools, undergraudate schools, graduate schools for candidates of master's degrees, and graudate schools for candidates of doctoral degrees.

A cooperative network has been formed among these institutes and schools, the PLA units, and the science research units. The contents and methods of instruction and the modes of management have entered a new phase.

4. Military science research has moved from a closed type to an open type. In order to meet the needs of modern warfare, the integration of the Navy and the Air Force, the study of space technology, and the research into local warfare have become the key tasks in today's research on military strategies. The scope of such research has become increasingly wider and the branches of such research have become more and more elaborate. Research is geared to modernization and the need of the world and the future. Over 70 branches of frontier science, such as military system research, military operational research, and economics in national defense have been assimilated and incorporated into the fields of military science research. Achievements in military science research are being used by leading military organs in making scientific policies. These achievements have found application in society and attained international standards. The military and the localities have successively formed some interchangeable military strategy research groups. Academic exchanges between the PLA and foreign countries have increased significantly.

5. Paticipation in the construction of key projects has become a major form of military support for state economic construction. In addition to opening up large numbers of barracks, airports, wharves, railways, and highways for local or joint military and civilian use, the military has converged its diversified energies in supporting local economic construction and helping with the people's work so as to bring out its superior role in actively undertaking and participating in key state or local construction projects and making active contributions to the development of the national economy.

DEMOBILIZED SOLDIERS HELP RURAL DEVELOPMENT

OW171244 Beijing XINHUA in English 0911 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- Demobilized soldiers from rural areas tend not to go back to farming when they return to their home towns, officials of the Ministry of Civil Affairs said today.

About 820,000 soldiers were demobilized this year. Of the majority who went home to the countryside, 55 percent have found jobs in township enterprises, local service trades and special firms set up for the demobilized soldiers, the officials said, adding that 20 percent have become local leaders. Only about 25 percent return to farming.

About 40 percent of the former soldiers return to the countryside with vocational training received while in service, one official said. "Some also get training from local authorities before they start work," he said. "All in all, they certainly inject vitality into the country's development."

Throughout the country, civil affairs departments are responsible for helping the demobilized soldiers find work.

Some former soldiers have proven adept at helping floundering enterprises become more efficient. In one country in Hebei Province in central China -- Anlu County -- they have helped improve the management of 89 of the 96 badly run township enterprises, according to the official.

Because agricultural reform since 1979 has linked income to output, farming in general has become more efficient, reducing the number of people needed to till the fields. As a result, local governments have been alerting units of the Chinese People's Liberation Army that their demobilized soldiers should be trained as drivers or as carpenters or in other ways suited to rural development.

WU XIUQUAN, OTHERS ATTEND LONG MARCH EXHIBITION

OW160205 Beijing XINHUA Domestic Service in Chinese 1256 GMT 14 Oct 86

[By reporters Zhang Yanping and Huang Zhimin]

[Text] Beijing, 14 Oct (XINHUA) — the "Joint Exhibition of Photographic and Art Works On the Long March Routes Today" opened at the museum of the Chinese Revolution this morning. Wu Xiuquan, Cheng Zihua, Zhang Aiping, Yang Chengwu, and other Red Army Long March veterans attended.

Nearly 300 pieces of art are on display. They praise the heroism of the First, Second, and Fourth Front Armies of the Red Army during the Long March and their final victory in joining forces in Huining is October 1936. The art works also show Red Army veterans' arduous struggle in today's four modernizations and how people living along the Long March routes today are following in the Red Army veterans' footsteps and proceeding with another Long March to revitalize China.

After watching the exhibition, Wu Xiuquan, the 78-year-old member of the Standing Coammittee of the Central Advisory Commission, said emotionally: These exhibits are our precious assets. I hope our younger generation will learn from them that revolutionary victories were not easy to come by. I also hope that the younger leaders working on all fronts will learn from them how to carry forward the fine revolutionary traditions of their predecessors. We are now engaged in building a socialist spiritual civilization, and the exhibition should serve as a good guide for the project.

The exhibition is cosponsored by 13 regions, autonomous prefectures, and municipalities in Jiangxi, Guangdong, Hunan, Guangxi, Guizhou, Yunnan, Sichuan, Gansu, Ningxia, and Shaanxi.

YANG DEZHI ON APPLYING LONG MARCH'S SPIRIT TODAY

OW160811 Beijing XINHUA Domestic Service in Chinese 0723 GMT 15 Oct 86

[Text] Beijing, 15 Oct (XINHUA) — Yang Dezhi, a Red Army veteran and chief of the PLA General Staff, said today that at this time, when the party Central Committee underscores the need to build a socialist spiritual civilization, marking the 50th anniversary of the Long March and inheriting and carrying forward the revolutionary spirit the Red Army displayed during the Long March of special significance.

Yang Dezhi and some veterans of the Red Army's First, Second, and Fourth Front Armies met today to mark the 50th anniversary of the Long March victory. At the meeting the Red Army veterans recalled the hardship and sacrifices as well as the jubilance of victories, they experienced during the Long March 50 years ago to indicate that the Long March spirit is a precious asset belonging to all party members and soldiers and a tremendous strength that can encourage and inspire the whole nation to work hard to accomplish the party's central tasks.

Speaking at the meeting, Yang Dezhi said: We are now on a new Long March to modernize the country, and we must draw courage, strength, and wisdom from the Red Army's Long March. He stressed: We must inherit and carry forward the revolutionary spirit the Red Army displayed during the Long March in four respects: First, we must display the spirit of fighting unity through which the Red Army's officers and men manifested their ideals and convictions. What did we rely on to surmount difficulties and defeat the enemy during the Long March, when we faced so many hardships and our weaponry and material conditions were so poor? We relied upon the Red Army's close-knit unity, which was based on the soldiers' lofty ideals and firm convictions. Second, we must display the spirit shown by the party Central Committee, Chairman Mao, and the vast number of Red Army officers and men during the Long March, namely the spirit of bringing forth new ideas based on the actual situation and seeking truth from facts. This is the basic experience we have gained from the lessons we paid for in blood. Third, we must display the same spirit of defying hardship and heroically and strenuously struggling that the Red Army's officers and men displayed during the Long March. Today's new Long March will not be smooth. This requires us to display the same strong will and work with the same perseverance as did the Red Army during the Long March. Fourth, we must display the same spirit as that of the Red Army, disregarding personal fame and benefit and continuing to be dedicated to arduous struggle.

The meeting took place at the PLA General Staff Headquarters.

YANG DEZHI, OTHERS ATTEND LONG MARCH MEETING

OW171031 Beijing XINHUA Domestic Service in Chinese 0719 GMT 16 Oct 86

[By reporters Xiong Zhengyan and Xu Jingyao]

[Text] Beijing, 16 Oct (XINHUA) -- The Academic discussion meeting to mark the 50th anniversary of the victory of the Red Army's Long March was held in Beijing today. More than 140 veteran Red Army Fighters who endured this great march half a century ago met with over 100 researchers of Long March history today at the PLA Academy of Military Sciences to talk about the significant meaning of the Red Army's Long March and exchange experiences in conducting academic research in this connection.

Attending the opening ceremony of the academic discussion meeting today here were Yang Dezhi, Chan Pixian, Wang Ping, Wu Xiuquan, Li Desheng, Xiao Ke, Song Shilun, Chen Xilian, Ye Fei, Zhang Aiping, Yang Chengwu, and Chen Zaidao.

On behalf of the Central Military Commission, Zhang Aiping delivered a speech. He said: The victory of the Red Army's Long March shows many new strategic and tactical developments. It is of great academic significance in military science. In studying the Long March today, we must link these good experiences with Army building at present and with future modern warfare. That means we must study how to make use of our military experience in the Long March to strengthen our national defense and safeguard the motherland.

This academic discussion meeting was jointly sponsored by the PLA Academy of Military Sciences and the University for National Defense. This meeting is an unprecedentedly large-scale meeting in the study of the Long March. The more than 100 deputies attending this meeting will read over 80 papers there.

Many of the papers are of high academic value. They will involve various aspects of the Red Army's Long March.

Wang Chenghan, political commissar of the Academy of Military Sciences, addressed the opening ceremony of the discussion meeting.

CHINA DAILY REPORTS CONTINUATION OF FECS

HK180535 Beijing CHINA DAILY in English 18 Oct 86 p 1

[By staff reporter Sun Youngeng]

[Text] China recently decided to continue to print and circulate foreign exchange certificates (FECs), the convertible version of the nation's official currency, renminbi.

Speaking to reporters at the grand opening of the Stock Exchange of Hong Kong last week, Wang Deyan, president and chairman of the board of directors of the Bank of China, said he believes it is not possible for China to abandon the convertible currenty immediately.

New and better measures have to be worked out to replace the certificates, he said.

The decision is viewed as helpful to continued implementation of the country's economic development plan and to reform of the financial system.

Changes should not be implemented, Wang said, until every sector of the society is well prepared. Since businesses and people in China are accustomed to the foreign exchange certificates, which have been in use for a long time, the government, he said, wants to maintain this convenience for businesses that invest in China and remit foreign exchanges out of the country.

Wang said China has already formulated one plan to phase out the convertible currency, but it is abandoned after what he called "imperfections" are found.

The bank president stressed that the present dual currency system will not be abolished until a perfect replacement system is drafted. He said the new system is still under study. The system was launched in April 1980.

CHINESE PEASANTS HIT BY SEVERE DROUGHT

BK181352 Hong Kong AFP in English 1345 GMT 18 Oct 86

[Text] Beijing Oct 18 (AFP) -- Several million Chinese peasants are having great trouble getting enough food because of a severe drought across 17 of the country's province and autonomous regions, the Ministry of Civil Affairs said Saturday.

"Nobody is dying of hunger" although the rural population had to rely on state assistance for food supplies, the head of the ministry's Relief Office, Yao Shadyu, told AGENCE FRANCE-PRESSE.

The areas most affected by the drought were three provinces around Beijing and to the south of the capital -- Hebei, Shanxi, and Shandong -- where the situation was even more serious than the severe drought of 1981, Mr Yao said.

He stressed, however, that the overall situation was not as serious as five years ago./

Mr Yao added that no figures were available concerning number of people affected by the drought which began this summer, the effects of which could be felt until next year's harvest.

Five million tonnes of cereal were currently needed and relief supplies were already on the way, he was quoted earlier as saying in the English-language CHINA DAILY's Saturday edition.

Because of the drought, only half the planned target for winter wheat seeking had been reached in three provinces and Henan Province, it said.

Droughts are an endemic problem in certain areas of China and assumed catastrophic proportions between 1980 and 1982.

Several million people suffered from serious undernourishment in Hebei Province in 1981, according to the United Nations Disaster Relief Office.

The prolonged dry spell led China to accept international aid for the first time since 1949, amounting to several million dollars [currency not specified] from some twenty countries and eight international organizations.

The state budget allocation for relief funds has already been exceeded by more than 40 percent this year with a total of 1.22 billion yuan (329 million dollars) directed to those afflicted by natural disasters, mostly droughts and floods, CHINA DAILY quoted Mr Yao as saying.

A further 230 million yuan (62 million dollars) would be allocated to help drought-hit areas by the end of the year, he told the newspaper.

It added that floods were another major cause of natural disasters and had swept northeastern China as well as Guangdong, Guangxi and Yunnan Provinces in the far south of the country.

Cereal production is expected to reach 386.5 million tons this year, up from 379 million last year, but below the record 407 million tons produced in 1984, according to the Chinese National Statistics Office.

Mr Yao said that China would rely first on its own resources to help combat the effects of the drought, "but, of course, all international aid would be welcome."

The official said the drought had not this year led to the mass exodus of peasants to the cities seen in 1981, because state assistance had been allocated for several years to those regions unable to support themselves.

OFFICIAL NOTES STEADY INDUSTRIAL OUTPUT GROWTH

OW181224 Beijing XINHUA in English 0944 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- In the first nine months of 1986, China's industrial output value saw a 6.4 percent increase over the corresponding period of 1985.

The output value of light industry rose by 6.6 percent, and that of heavy industry 6.2 percent.

At a press conference here today, Zhang Zhongji, spokesman for the State Statistics Bureau, announced, "From January to September industrial output amounted to 652.1 billion yuan (176.2 billion U.S. dollars), 72.7 percent of the planned total for this year."

"China's industry has marched forward quarter by quarter. In comparison with the corresponding period of 1985, it rose by 4.4 percent in the first quarter, 5.3 percent in the second and 9 percent in the third," he added.

Thirty-five major projects have become operational during the period, according to Zhang, which include first-stage construction of the Baoshan Iron and Steel Complex in Shanghai, second-stage construction of the Jinshan Petrochemical works in Shanghai, the Jianbi Power Plant in Jiangsu Province and two power generating units at the Gezhouba Hydroelectric Power Station in Hubei Province.

During the same period, China added electricity generating capacity of 902,000 kw, coal mining capacity of 5.31 million tons and oil mining capacity of 9.618 million tons. It also raised steelmaking capacity by 3.18 million tons and iron-smelting capacity by 3 million tons. The country also electrified 128.9 kilometers of railway.

Zhang told reporters, "total investment in fixed assets during the past three quarters this year rose by 18.7 percent over the same period of last year, a rate slower than the 33.7 percent registered in the first three quarters of last year."

Total investment in capital construction came to 61.8 billion yuan (16.7 billion U.S. dollars), a 9.5 percent increase over the corresponding period in 1985 when the growth rate was 38.6 percent.

By cooling down excessive spending in these two areas the country can put more money into technical transformation and renovation, investing 28.6 billion yuan (7.73 billion U.S. dollars), an increase of 45 percent over the same period last year which saw only a 29.6 percent rise.

"More than 20 inter-regional economic groups of various forms have been set up, breaking up the old economic forumla", Zhang said.

He added, "total industrial output value this year can be expected to hit the target of guaranteeing a 7 percent growth and striving for 8 percent as designated in the Seventh Five-Year Plan period (1986-1990)." The growth rate will exceed 8 percent if the output value of the rural and individual industries is included, he said.

He also pointed out that the rising price of raw materials, wage hikes, increased tax rates and depreciation by the state have cost enterprises more and led to less profits and more deficits.

"Product quality is still substandard and varieties fail to meet demand," he stressed.

"The market is having more influence on production," Zhang said, adding that production of saleable goods increased and that of unsaleable products went down.

ZHAO ZIYANG GREETS GUANGZHOU FAIR ANNIVERSARY

OW130841 Beijing XINHUA in English 0651 GMT 13 Oct 86

[Text] Beijing, October 13 (XINHUA) — The China Export Commodities Fair in Guangzhou will open with gala celebrations on October 15, according to a dispatch arriving here today.

The 60th session of the fair, with a 30-year history since its opening in 1957, will be held in Guangzhou, capital of south China's Guangdong Province.

In a letter marking the anniversary, Chinese Premier Zhao Ziyang said, "the fair has done a good job in developing trade relations and economic and technological exchanges between China and other countries in the past three decades."

Wang Pinqing, vice-premier of foreign economic relations and trade, and vice-chairman of the coming session, urged all workers attending the fair to do more business, a substantial way to celebrate the anniversary, and to give a warm-hearted reception to businessmen from other countries and regions.

An editorial in today's INTERNATIONAL BUSINESS said, "the fair is China's biggest comprehensive show window of export commodities."

"The fair's total annual export business volume accounts for one-forth of the country's total, and it has also increased imports," the paper said.

In the past several years, the fair has provided an opportunity for Sino-foreign cooperative projects, Sino-foreign joint ventures, international trust and investment companies, and transport, financial and insurance businesses serving imports and exports to conduct business with overseas counterparts.

Its first session three decades ago was attended by 1,200 businessmen from 19 countries and regions. But the last several sessions each hosted 25,000 from 100 countries and regions.

To celebrate the fair's 30th anniversary, its buildings have been cleaned and decorated. A new six-storey building is also ready for use.

An official of the Ministry of Foreign Economic Relations and Trade said that 25 percent of the display products will be new just for the fair, which will end November 5.

"Overseas buyers will see a wider selection than ever before in the fair's 30-year history," he said.

For some industries, including machinery and textile production, and metal and mineral processing, new products will make up 80 percent of their displays.

FANG YI OPENS HEBEI SCIENCE, TECHNOLOGY BUILDING

OW161101 Beijing XINHUA Domestic Service in Chinese 1612 GMT 14 Oct 86

[By reporters Gou Jie and Yue Yongjin]

[Text] Shijiazhuang, 14 Oct (XINHUA) — The Hebei Science and Technology Building in Shijiazhuang, which is dedicated to scientific and technological interchange and training, is officially completed. This morning Fang Yi, member of the CPC Central Committee Political Bureau and state councillor; Xing Chongzhi, secretary of the Hebei Provincial CPC Committee; and Xie Feng, Hebei governor, cut the ribbon to inaugurate the building and open the conference on the exchange of technical achievements in north China, which will be held in the building.

The Hebei Science and Technology Building is the largest science and technology exchange, trading, and training center in China. Comrade Hu Yaobang inscribed "Science and Technology Building" for the building and Comrade Fang Yi Inscribed "Use Science and Technology To Promote Economic Takeoff."

The Hebei Science and Technology Building was built with funds raised from various sources. It has a total area of 26,500 square meters. The 13-story main building has exhibition, stage, conference, and training halls equipped with advanced facilities capable of hosting international and domestic science and technology fairs and exhibitions and information exchange activities.

Visits Art Exhibition

OW131415 Beijing XINHUA Domestic Service in Chinese 0810 GMT 11 Oct 86

[Excerpts] Beijing, 1 Oct (XINHUA) — Visiting an exhibition of artistic, calligraphic, and photographic works done by workers and staff members of the China Nonferrous Metals Industry Corporation, Fang Yi, member of the Political Bureau of the CPC Central Committee, said yesterday that party organizations and leading cadres at all levels must pay attention to workers' sparetime cultural life and organize them to engage in healthy cultural activities. He said that the masses' cultural life is also a part of spiritual construction.

On display in the exhibition were some 250 works by the workers and staff members of the nonferrous metal industry. [passage omitted]

Fang Yi added that the exhibition showed that there are many talented people among the workers and leading authorities at all levels should give full scope to their specialities.

It is reported that there are 1.2 million workers and staff members in nearly 900 enterprises and institutions under the China Nonferrous Metal Industry Corporation. [passage omitted]

Attends Cartography Meeting

OW141022 Beijing XINHUA Domestic Service in Chinese 0832 GMT 11 Oct 86

[By reporter Zhang Jimin]

[Excerpts] Beijing, 11 Oct (XINHUA) — The State Bureau of Survey and Cartography, which has achieved successes in surveying the sky and Earth, today called a national meeting of representatives of advanced collectives and individuals from survey and cartography departments, on the occasion of its 30th founding anniversary, to commend the advanced, and, at the same time, to discuss the important matter of reform in survey and cartographic work.

Fang Yi, member of the CPC Central Committee Political Bureau and State Councilor, attended the meeting and delivered a speech praising survey and cartographic work, hailing it as an arduous, glorious, and grand undertaking. He said: In the past 30 years, the State bureau of Survey and Cartography has formed a fairly strong survey and cartographic contingent; established a rather complete system; deployed hundreds of thousands of survey control units; completed medium and small-scale topographic maps covering the entire land of China; provided large quantitites of aerial topographic maps for urban construction, survey of agricultural resources, and other projects; and made great contributions to the national economy and defense. These achievements were made by tens of thousands of surveyors and cartographers who worked very hard for a long time. Their hardworking and struggling spirit should be understood by the people and respected by society. [passage omitted]

Li Xiannian, Wan Li, Bo Yibo, Hang Guang, Xu Deheng, and Gu Mu each wrote words of appreciation to greet the 30th founding anniversary of the State Bureau of Survey and Cartography.

ANHUI RIBAO VIEWS BUILDING SPIRITUAL CIVILIZATION

OW190034 Hefei ANHUI RIBAO in Chinese 29 Sep 86 p 2

[ANHUI RIBAO editorial: "Firmly Strengthen the Building of Spiritual Civilization"]

[Excerpts] The Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization has been published. Based on the principle of integrating basic principles of Marxism with the actual situation in China, the resolution penetratingly explains the strategic position, fundamental tasks, and other principled matters of building spiritual civilization. The resolution has given us direction and shown us fundamental methods for strengthening the building of spiritual civilization in the new period and is a programme of action for mobilizing and organizing people of the whole country to build a high level of socialist spiritual civilization. It is a crystallization of the collective wisdom of the party, which will certainly have a profound influence on the building of spiritual civilization in our country. At the same time, it has an important bearing on ensuring the progress of the reform of our economic and policital structures, the successful implementation of the "Seventh 5-Year Plan" and the healthy development of socialist modernization.

The resolution points out that the overall scheme of China's socialist modernization is as follows: Taking economic development as the key link, we are to continue to reform our economic and political structures and at the same time speed up the country's cultural and ideological progress, making sure that these aspects of our work are coordinated with and promote each other. From this perspective, all our party members should understand the strategic importance of promoting spiritual civilization. [passage omitted]

To fulfill the general tasks and goals of our party in the new period, we must ensure that our work in promoting spiritual civilization is capable of pushing forward China's socialist modernization, or promoting the all-round reform and the opening to the outside world, and of embodying the four cardinal principles. [passage omitted]

In this province, we have made some progress in building spiritual civilization. However, there are also many problems which are incompatible with the building of socialist modernization. The people's mental outlook and their concepts should be guided toward the positive side, socialist morality and style should be further improved, and democracy and the legal system should be further perfected. In particular, education, science, and culture in this province are still quite backward. We must not overlook all these things. [passage omitted]

At present we face the heavy task of building spiritual civilization. We must effectively implement the work of building spiritual civilization step by step, in accordance with the guiding principles of and strategic arrangements made by the party Central Committee. Party organizations at various levels and party members in particular have a great responsibility to promote spiritual civilization. We must conscientously study and properly implement the resolution, create an advanced image for the masses with our own exemplary deeds, publicize civilized new customs, and lead the masses in the struggle for the realization of our common ideals and goals. As long as party organizations at various levels and the 1.8 million party members in this province give full play to their role as the core in leading the masses, it is certain we can greatly develop the building of spiritual civilization in this province.

FUJIAN SUFFERING WORST DROUGHT SINCE 1939

OW191530 Beijing XINHUA in English 1508 GMT 19 Oct 86

[Text] Fuzhou, October 19 (XINHUA) -- China's coastal Fujian Province is suffering the biggest drought since 1939.

For about two months, there has been no rain in most parts of the province. Many reservoirs have dried up, causing a shortage of drinking water in many places.

Water in the reservoirs near Xiamen has decreased by one third.

Nearly half of the farmland in Xiamen's suburbs is affected by the drought.

At present there is no sign of relief, according to the local Meteorological Bureau.

The local government has been rushing pumps, diesel oil and chemical fertilizers to the stricken areas to fight the drought.

Meteorological officials predict that the severe drought may be followed by a big flood next year.

AUDITING ADMINISTRATION ISSUES NOTICE ON FUJIAN FRAUD

OW200143 Beijing XINHUA Domestic Service in Chinese 0922 GMT 18 Oct 86

[By reporter Wang Yingchun]

[Text] Beijing, 18 Oct (XINHUA) -- The Longyan Prefectural Finance Bureau in Fujian Province seriously violated financial and economic discipline by illegally retaining financial revenues and falsifying expenses totalling 19.65 million yuan in 1985. In this connection, the State Auditing Administration recently issued a notice to all localities.

According to investigations by auditing departments, the Longyang Prefecture Finance Bureau fabricated a total of 18.39 million yuan of expenses, constituting 40 percent of the prefecture's 1985 total financial expenditures, and misused them for other purposes. Worst of all, with approval from leaders of the prefectural administrative office, the prefectural Finance Bureau loaned the 10 million yuan in special funds, designated by the provincial government for assisting construction in old revolutionary bases in western Fujian, to the Longyang Investment Corporation for purchasing foreign exchange to import goods between May and August last year. The aforesaid loan was listed in the Fiance Bureau's final accounts as funds for assisting technical transformation of enterprises and construction of underdeveloped areas. Moreover, the Finance Bureau fabricated a 2 million yuan expenditure for supporting underdeveloped areas' construction.

Among the falsified expenses were also 1.4 million yuan in subsidies for technical transformation of five small industries, and funds for their scientific research which were transferred to the account of the Enterprise Finance Section under the prefectural Finance Bureau.

The 2.82 million yuan capital construction funds for 1986 were listed under the expenditure of the 1985 final accounts. Additionally, in order to increase the base of financial expenditures and reduce the financial surplus of 1985, the Finance Bureau also appropriated 1.76 million yuan in extrabudgetary funds for capital construction.

In addition to falsifying expenditures, the prefectural Finance Bureau also illegally retained or withheld a total of 1.26 million yuan in financial revenue, equivalent to 9 percent of the prefecture's total revenues in 1985. Of this amount, 150,000 yuan were illegally retained by the Finance Bureau on two occasions last December in the name of subsidizing deficit-ridden grain enterprises, but were later refunded to the bureau itself as its temporary savings. The 110,000 yuan retained from the income tax paid by the Jitou Hydroelectric Power Station were transferred to extrabudgetary revenues. Also, the prefectural Finance Bureau did not take any financial action to handle the 2.28 million yuan in revenues delivered by enterprises, and permanently retained the funds on its account.

The Fujian provincial people's government has paid keen attention to the above-mentioned problems. The provincial Auditing Bureau has been investigating the problems along with pertinent departments.

FUJIAN GOVERNOR ON OVERSEAS CHINESE INVESTMENT

OW192314 Beijing in Mandarin to Taiwan 1500 GMT 18 Oct 86

[Text] In conversation with reporters recently, Fujian Governor Hu Ping said: Fujian's dominant role in using foreign funds relies on the millions of Overseas Chinese who serve as bridges in Fujian's efforts to open to the outside world and as a prime force in invigorating Fujian. To encourage Overseas Chinese investment, those enterprises with Overseas Chinese investments whose goods meet export conditions and technologically-advanced enterprises will enjoy benefits such as tax reduction or extension of the tax reduction period in addition to the original 20 percent income tax discount. Overseas Chinese who reinvest their profits in domestic productive ventures or who invest in building public facilities for cultural, educational, and sanitation use will enjoy more preferential treatment on their business income tax than will those who invest in export or technologically-advanced enterprises. In the meantime, the Fujian Oveseas Chinese Investment Corporation will be restored and its scope of business will be expanded.

Hu Ping welcomed Taiwan compatriots to invest in Fujian's enterprises. He outlined the following preferential policies to be shown the Taiwan compatriots who invest in Fujian's enterprises:

1. All advanced technologies and equipment of the 1980's and fine product varieties imported from Taiwan will be exempt from tariffs and regulatory taxes.

2. All advanced technologies and equipment promoted by Taiwan compatriots will be subject to examination and approval by prefectural and city governments, provided they fall under the monetary amounts specified, and will also be exempt from tariffs and regulatory taxes.

JILIN SECRETARY ON ARMY-CIVILIAN CIVILIZATION

SK180305 Changchun Jilin Provincial Service in Mandarin 1030 GMT 17 Oct 86

[Text] After 2 days in session, the provincial meeting to exchange experiences in army-civilian joint activities of building spiritual civilization concluded in Changchun on the afternoon of 17 October. Gu Changchun, acting director of the provincial Propaganda Department, presided over the meeting. Wang Jinshan, vice governor of the province, read the decision of the provincial party committee and the provincial government on commending 241 advanced units emerging from the activities of soldiers and civilians jointly building spiritual civilization. Amid warm applause, leading comrades of the provincial party committee and the provincial government awarded silk banners and certificates of merit to representatives of the advanced units. Gao Di, secretary of the provincial party committee, made a summing-up speech at the meeting. He said that this meeting was one to sum up and exchange experiences as well as a grand gathering of army-government and army-civilian unity. He highly praised the vast number of commanders and fighters of PLA units stationed in our province for their outstanding contributions to the activities of jointly building spiritual civilization. On behalf of the provincial party committee and the provincial government, he extended cordial regards and heartfelt thanks to all of the commanders and fighters of the PLA units stationed in our province.

Comrade Gao Di pointed out: From now on, the province's activities of soldiers and civilians jointly building spirutal civilization should be carried out in line with the guidelines of the 6th Plenary Session of the 12th CPC Central Committee. We should play an exemplary role in carrying out the activities in an effort to raise the work of building civilized units to a higher level. A civilized township can emerge through jointly building a civilized village; a civilized neighborhood committee; and a civilized trade can emerge through jointly building a civilized unit. From now to the end of next year, all localities and all trades should build further groups of civilized units through activities. The areas where no army units are stationed should study the experiences in army-civilian joint activities gained by other localities to launch various forms of joint activities of building spiritual civilization, including cooperation between neighborhood committees and enterprises, between plants and schools, and between workers and peasants. In launching joint activities, we should stress real results and avoid formalism.

Comrade Gao Di called on local party committees and governments to show concern, care, and support for PLA units in launching joint activities; to initiatively offer conveniences to the work of training talented persons for army and civilian use; to make proper arrangements for cadres transferred from army units and for retired cadres; to strive to achieve the work of giving special care to disabled servicemen and family members of revolutionary martyrs and servicemen; and to make greater contributions to creating a new situation in the province's army-civilian joint activities and to rejuvenating Jilin.

LIAONING'S QUAN SHUREN ATTENDS CPPCC MEETING

SK170210 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 16 Oct 86

[Text] Quan Shuren, secretary of the provincial party committee, joined the discussions of the 19th Standing Committee meeting of the 5th provincial CPPCC Committee. The meeting was held this morning. At the meeting, Quan Shuren heard speeches by some responsible comrades of the democratic parties and noted nonparty figures on their understanding after studying the CPC Central Committee's resolution on the guiding principles for building the socialist spiritual civilization, and on their opinions and suggestions for our province's building a spiritual civilization.

NINGXIA SECRETARY DISCUSSES DEVELOPING RURAL WORK

HK130312 Yinchuan NINGXIA RIBAO in Chinese 30 Sep 86 p 1

[Report by Wang Yaocan (3769 1031 3503): "Li Xuezhi Urges Various Localities To Tap Potentialities and Develop the Favorable Situation in Rural Areas"]

[Text] At a recent meeting of Ningxia's rural economic leading groups, Comrade Li Xuezhi called on various localities to tap potentialities, enhance staying power, and further develop the favorable rural situation.

With the all-round development of agriculture, forestry, animal husbandry, sideline occupations, and township enterprises, Comrade Li Xuezhi said, Ningxia's agricultural situation is excellent this year. Tremendous changes have taken place in the mountain areas. The staff members of state farms and the peasants are in full spirit. The attainment of the favorable situation is due to the following: First, we have deepened our ideological understanding of taking agriculture as the foundation; second, we have adopted effective measures, increased investment, and developed farmland capital construction in light of the actual circumstances; third, we have paid more attention to circulation which promoted production; fourth, we have taken effective measures against frequent natural disasters and have increased the output of grain; and fifth, we have accelerated construction of the irrigated areas.

Under the favorable situation, Comrade Li Xuezhi pointed out, we should also be aware of the existing and newly emerging problems. We should tap potentialities, enhance staying power, and develop the favorable rural situation. There are latent potentials that can be tapped in the old irrigated areas, Li continued, and the area of improved varieties of maize and interplanting should be further expanded. The new irrigated areas should tap potentialities, try by every means to exploit farmland, and bring about better results as quickkly as possible. The initiative of the peasants should be aroused. So long as the pastoral areas and barren hills are contracted to the peasants, they will make strenuous efforts to increase their income.

Comrades Cai Zhuli and Ma Yingliang delivered speeches on rural work in the next stage. They said that the focus of Ningxia's rural work in the next stage is to pay attention to four things in production and to take note of three problems in policies. The four things in production include digging trenches deep, turning up the soil by tractor, applying fertilizer in autumn, and leveling the land. The three problems concerning implementation of the policies include: First, the practice of indiscriminately occupying farmland should be curbed; second, the reckless exaction of charges should be checked; and third, the practice of extravagant spending should be corrected in connection with party rectification.

FOREIGN MINISTER NOTES STAND ON COMMUNIST CONTACTS

OW160601 Taipei CNA in English 0317 GMT 16 Oct 86

[Text] Taipei, Oct. 15 (CNA) -- Foreign Minister Chu Fu-sung reiterated Wednesday the government's stance that under no circumstances will people of the Republic of China [ROC] participate in any international conference or activity held in Mainland China. Neither will any personnel from communist nations be allowed to enter the ROC for participation in international activities, Chu added. People here, however, are not forbidden from activities held in any country or place other than Mainland China, the minister said, if they are invited by international organizations.

Chu made the remarks while reporting the nation's foreign policy at a meeting summond by the Policy Coordination Committee of the ruling Kuomintang [KMT] and attend by KMT members in the Legislative Yuan's Committee on Foreign Affairs. The meeting was presided over by Shen Chang-huan, member of the ruling party's Central Standing Committee.

He said the nation has encountered great difficulty in foreign relations due to the free world's failure to see through the vicious nature of communism and Communist China's surging united front offensive in international community under the disguise of peaceful gestures since it got U.S. recognition in 1979. The Communist Chinese have spared no efforts in their plot to isolate the ROC, Chu said, adding that they have tried to attain their aim by challenging the ROC's membership in international bodies, driving a wedge between the ROC and nations that maintain diplomatic ties with the ROC, most of them in Latin America, and trying every possible way to spoil the ROC's substantive relations with other nations. To fight against Communist Chinese challenges, Chu said, the Republic of China will step up its economic and technical cooperation relations with friendly nations, vigorously participate in international activities and seek to establish diplomatic ties with newly-emerging nations. Though faced with an unprecedented difficult situation, he stressed, the national anti-communist policy will never change.

On Country's World Status

OW181033 Taipei CNA in English 1019 GMT 18 Oct 86

[Text] Taipei, Oct. 18 (CNA) -- Foreign Minister Chu Fu-sung said Saturday that the Republic of China [ROC] maintains a dignified status in the world community as a result of its remarkable political and economic development. Chu made the remarks in a report on the country's current diplomatic situation at a Legislative Yuan committee meeting. Chu said that the ROC Government has been trying to develop substantive relations with other free nations since it withdrew from the United Nations in the 1970s. The ROC currently maintains 87 representative offices abroad. Among them, 58 are stationed in countries with which the ROC has no diplomatic ties. Moreover, the ROC operates 33 agricultural technical missions with a staff of more than 350 people in scores of developing nations.

In the meantime, Chu said that many foreign countries also have set up cultural or trade offices in the ROC. For instance, 14 major European countries have opened representative offices on the island and 12 European banks have branch or liaison offices here. The minister stressed that the ROC is the 10th largest exporting country among 170-odd nations around the globe. "We should cash in on our booming economy and vigorous national strength to expand our ties with other countries," he said. Chu also cited several encouraging fruits of the nation's diplomatic efforts, including the soon-to-be-opened trade offices of Malaysia and Canada in Taipei.

KUOMINGTANG WORKS OUT SECURITY LAW GUIDELINES

OW160525 Taipei CNA in English 0245 GMT 16 Oct 86

[Text] Taipei, Oct. 15 (CNA) — The ruling Kuomintang has worked out guidelines for enacting the National Security Law and amending the law governing civic bodies during the period of communist rebellion, and will send them to the Executive Yuan for reference.

The Kuomintang Central Standing Committee, in a weekly meeting Wednesday, approved two proposals submitted by a 12-member task force for the termination of emergency decrees and for draftig a law governing civic bodies to regulate social and political activites in this nation. The purpose of doing so is to meet the needs of the present situation and to lay a solid foundation for constitutional rule here, the Kuomintang said.

In addition to approving the two proposals, the Kuomintang's policy-making body also offered the cabinet guidelines for the institution of the national security law. These principles include:

— The enactment of this law should be based on constitutional rule and aimed at fulfilling democracy and the rule of law while ensuring national security;

— No citizens here, except for military servicemen on active duty, should be subject to court martial; and

— The government should handle national affairs according to prevailing laws and regulations except for those prescribed by this law, for the purpose of ensuring national security and social order.

Meantime, it also mapped out the following four guidelines for amendment of the law governing civic bodies. These guidelines include maintaining the constitutional system while carrying through rule of law; to renounce violence and separatism while insisting on national reunification; to create a political consensus while promoting social harmony, and to encourage political participation through legal channels while restricting illegal mass activities.

NATIONAL SECURITY LAW TASK FORCE TO BE FORMED

OW190118 Taipei International Service in English 0200 GMT 18 Oct 86

[Text] Interior Minister Wu Po-hsiung said Thursday his ministry will form a task force upon receiving a formal instruction from the Executive Yuan to draw up the proposed National Security Law and an amendment to the law governing civic bodies. The Central Standing Committee of the ruling Kuomintang on Wednesday approved a proposal to terminate the 37 year-old emergency decree, replacing it with a national security law. The party also endorsed another proposal to revise the existing law governing civic organizations including political parties.

KMT-NONPARTISAN TALKS TO RESUME IN NOVEMBER

OW170423 Taipei CNA in English 0254 GMT 17 Oct 86

[Text] Taipei, Oct. 16 (CNA) — The suspended dialogue between the ruling Kuomintang [KMT] and nonpartisans is expected to resume early next month, Professor Hu Fo of National Taiwan University [NTU] said Thursday.

Hu and Yang Kuo-shu and Li Hung-hsi, two other NTU professors, and Tao Pai-chun, national policy adviser to the president, have jointly served as the go-betweens in the KMT-nonpartisan dialogue The first and second such dialogue sessions were held in May. However, the nonpartisan group unilaterally announced the suspension of the third-round dialogue which was scheduled to be held on June 7. Eighteen leading members of the nonpartisan group, including legislator Fei Hsi-ping and former legislator Kang Ning-hsiang, invited the four mediators to a lunch Thursday and discussed with them resumption of the suspended talks, Hu said.

As to what topics the dialogue should center on and discussion format, Hu said they will depend on the result of the negotiations between the mediators and the two sides respectively. Meantime, ranking KMT officials expressed their welcome Thursday of the nonpartisans' plan to resume the dialogue. They stressed that the ruling party has never changed its sincerity in communication with the nonpartisans.

DEMOCRATIC PROGRESS PARTY ISSUES STATEMENT

OW180557 Taipei TZU LI WAN PAO in Chinese 11 Oct 86 p 2

[Text] In a statement issued today, the "Democratic Progress" Party, which was established at the end of last month by nonpartisans, stressed that the party, pursuing progress with democracy in mind, will uphold pacifism and oppose violence, and will not have contact with any political organization at home or abroad which advocates violent revolution. It also emphasized that the only way to distinguish Taiwan from Chinese Communists in Mainland China is to truthfully practice constitutional democracy, and that the party will do its utmost to bring back the Constitution in its traditional form.

The working committee of the "Democratic Progress" Party and its principal members met on 9 October to discuss the three principles of organizing parties brought forward on 8 October by Chairman Chiang of the Kuomintang [KMT]: "Abiding by the Constitution, anticommunism, and drawing a clear line of demarcation with the Taiwanese independence movement". Today they issued the statement. It says: Taiwan will not be qualified or capable of talking about anticommunism unless it distinguishes itself from the Chinese Communists in Mainland China by strictly abiding by the Constitution and truly practicing constitutional democracy. For this reason, this party will do its utmost to bring back the Constitution in its traditional form.

The statement also maintains that the party should uphold pacifism and oppose violence since it pursues progress with democracy in mind. Therefore, as concerns those political organizations at home and abroad, the party will gladly cooperate with them as long as they advocate peaceful reform. The party will not have any connection with them if they favor violent revolution.

The statement also points out that the party, as an established political entity, is determined to hold an equal position under the protection of the Constitution with the other three established parties — the Kuomingtang, the China Democratic Socialist Party, and the Young China Party — to consult with them, to keep faith with them, and together with them, to ensure the sound development of party politics. The party will deal with those three other parties in an open and aboveboard manner.

The "Democratic Progress" Party also indicated that in the past 40 years some fundamental changes have taken place in conditions inside and outside Taiwan. Faced with this changing environment, Taiwan has long been unable to cope with all contingencies without making changes. [paragraph continues]

Acceleration of the process of perfecting party politics has been a common opinion and wish of the people at home and abroad. The founding of the party is thus a natural outcome of conforming to this changing situation. Therefore, there should be no doubts or misgivings from any side. Particularly, the party hopes that the whole KMT will thoroughly comprehend the intention of their chairman's statement and launch an open, fair, just, and peaceful competition.

DPP PLANS CONVENTION BEFORE 6 DEC ELECTIONS

HK161100 Hong Kong AFP in English 1033 GMT 16 Oct 86

[Text] Taipei, Oct 16 (AFP) — The opposition Democratic Progress Party (DPP) plans to hold its first convention in the coming weeks, despite warnings from government authorities that it might break the law, a DPP official said Thursday. Fei Hsi-ping, the DPP's party affairs coordinator, told reporters that efforts to promote the fledgling party would continue and that a convention would take place before public elections in Taiwan are held December 6. The DPP has nominated 44 candidates to contest the elections for the National Assembly and Legislative Yuan, or parliament. Mr. Fei made his remarks one day after the KMT's [Kuomintang] top policy-making body, the Central Standing Committee, endorsed plans to lift martial law in Taiwan and to permit the formation of new political groups.

Martial law and a ban on new political parties were imposed 37 years ago, when the KMT under general Chiang Kai-shek fled to Taiwan after the Communist Party took power in Mainland China. KMT authorities have said the 1949 laws would remain in force until all legislative procedures related to the reforms have been completed.

On Thursday they called on the DPP -- formed September 28 by 135 opposition politicians in defiance of the new-party ban -- to remain in the "planning stages" and make no further moves. But Mr. Fei said the DPP did not conflict with the three basic principles laid down by KMT President Chiang Ching-kuo "and there should be mutual understanding between the ruling party and our party." The three principles -- nationalism, democracy and livelihood -- forms the ideology of the KMT government.

In a statement Thursday, the DPP insisted on the people's constitutional right to form political parties, and asked that it be "respected and protected" by law as the KMT and two other parties now are. The Young China Party and the China Democratic Socialist Party were formed before the 1949 ban on new parties, but have little say in government.

The DPP also objected to a proposed national security law, which the KMT authorities have decided to impose to govern all security matters once martial law ends. It said the law would limit personal freedoms, "and we urge the KMT to abolish all laws which are not based on the Constitution."

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UN ENVOY STRESSES IMPORTANCE OF CHARTER FOR PEACE

OW210436 Beijing XINHUA in English 0251 GMT 21 Oct 86

[Text] United Nations, October 20 (XINHUA) -- China today stressed the importance of complying with the United Nations Charter in the peaceful settlement of international disputes.

Speaking in a debate of the Legal Committee of the General Assembly on such settlements, Chinese representative Wang Houli said a regular settlement process provides a good environment for national developments as well as positive and secure international relations.

Wang said China adheres to a foreign policy of peace and advocated that the international disputes and conflicts should be settled strictly in conformity with the purposes and principles of the U.N. Charter and basic norms of international relations.

"In seeking for political solution to international conflicts, the following should specially be emphasized: State sovereignty and territorial integrity should be respected, force or threat of force not be used, and the legal status of the results from use or threat of force not be recognized," he stressed.

Wang stated that the unlawful use of force should be stopped immediately and foreign troops withdrawn without condition.

"Political solution must be fair and reasonable, and ensure that they do not impair the independence, soverignty and territorial integrity of the countries that have been invaded or interferred with," he added.

14 DOUBLE TAXATION AVOIDANCE PACTS SIGNED

OW201112 Beijing XINHUA in English 0846 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- China had signed agreements on avoidance of double taxation with 14 countries by September, according to today's "INTERNATIONAL BUSINESS".

Since 1981, China has signed agreements with Belgium, Britain, Canada, Denmark, Federal Germany, Finland, France, Japan, Malaysia, New Zealand, Norway, Singapore, Sweden, and the United States.

Agreements with Italy, Romania and Thailand have been initialled, while negotiations with Australia, Austria, Czechoslovakia, Switzerland, the Netherlands and Yugoslavia are now underway, the paper said.

In signing these agreements, China has observed the principle of mutual benefit, the paper said. Preferential terms in taxation have been granted to foreign investors in China while the economic rights and interests of their countries are safeguarded.

IFAD SATISFIED WITH, INCREASING PROJECTS IN PRC

OW171859 Beijing XINHUA in English 1527 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- The International Fund for Agricultural Development (IFAD) has successfully started three projects in China and plans to carry out the fourth soon.

IFAD President Jazairy said this at a news briefing held here today before his departure from China.

The three projects include the northern pasture and livestock development, the agricultural development of north China's Hebei Province and the rural credit operations of the Agricultural Bank of China. The fourth project, which is scheduled for IFAD board reviewal in December 1986, will support fish-farming in south China's Guangdong Province.

He said that IFAD has provided 85 million U.S. dollars in loans for the first three projects, thus making China the fifth largest recipient of IFAD loans after India, Bangladesh, Pakistan and Indonesia.

IFAD is very much satisfied with the performance of these projects as they have helped China improve productivity and increase the income oy farmers in the past few years, he added.

IFAD has observed with keen interest the transformation brought about by recent rural reforms which has contributed to the spectacular success of increasing China's agricultural production, and in particular, the introduction of the "production responsibility system" and the providing of incentives to individual households have generated considerable interest in IFAD, said Jazairy.

IFAD would like to draw upon China's experience and use her expertise for the benefit of other developing countries as a means of encouraging technical cooperation among developing countries, he added.

More than two thirds of all IFAD loans are provided to the poorest countries having per capita income of less than 300 U.S. dollars. IFAD has extended loans to 88 developing countries to finance 188 projects since it started operation in 1978. China became a member of IFAD in 1980.

DENG XIAOPING MEETS WITH ITALIAN, U.S. SCIENTISTS

OW181502 Beijing XINHUA in English 1210 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- Chinese leader Deng Xiaoping said here today the advancement of humanity depends on the development of science.

Speaking to visiting scientists from Italy and the United States, Deng said only science can eliminate poverty in the developing countries, and the maintanence of world peace also depends on science. He stressed that China can not develop without science.

Deng made the remarks at a meeting with Italian physicist A. Zichichi, president of the International Center for Scientific Culture -- World Laboratory, and American physicist T.D. Lee, director of the Center of Advanced Science and Technology in China of the World Laboratory. Both men were accompanied by their wives.

Deng said China is in the first stage of the development of its science and technology. Perhaps, he said, changes in this sector will be seen by the end of the century and real advancement will be made in the next century. It is not easy to make changes in such a large and backward country.

"We need the help of our friends, but more importantly we must depend on our own efforts," said Deng.

He called for common efforts to develop science so as to contribute to human progress and world peace.

Deng expressed appreciation for the help given by A. Zichichi and T.D. Lee in establishing the Center of Advanced Science and Technology in China and described the founding of the International Center for Scientific Culture -- World Laboratory in Geneva last July as an "important and pioneering undertaking."

He said that the developing countries will benefit from it, and China will actively participate in the work of the world laboratory.

A. Zichichi said that the purpose of establishing the world laboratory is to provide funds to China and other Third World countries for developing scientific and technological cooperation.

"We are willing to help China and make its science and technology reach international standards," he added.

Present at the meeting were State Councillor Fang Yi, and member of the Political Bureau of the Chinese Communist Party Central Committee Hu Qili.

WANG BINGQIAN MEETS UN AGRICULTURAL OFFICIAL

OW170756 Beijing XINHUA in English 0637 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- Wang Bingqian, Chinese State Councillor and Minister of Finance, met with Idriss Jazairy, president of the International Fund for Agricultural Development (IFAD), and his party here this morning.

IFAD was founded in 1976 to help developing countries develop food and agricultural production and is the only financial organization in the U.N. for the Third World countries. China joined the IFAD in 1980. Up to the end of 1985, the fund has provided to China three project loans of 85 million U.S. dollars which have been used in developing agriculture, animal husbandry, fisheries in Hebei, Inner Mongolia, Heilongjiang and Hubei.

During his stay in China, Jazairy visited an agricultural project in Hebei Province which he found to be very satisfactory.

PRC-U.S. ECONOMIC RELATIONS SEMINAR OPENS

OW171900 Beijing XINHUA in English 1533 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- Some of the leading economists from the United States say that the reform of China's economic structure has provided "good conditions" for Sino-U.S. economic cooperation.

China's comprehensive reforms, in such areas as planning, taxes, finance, commerce and the use of foreign funds, will not only "stimulate its domestic economic growth, but also speed up its international economic cooperation," they told the second seminar on Sino-U.S. economic relations that opened here today.

Thomas Bill Hayward, head of the American delegation and vice-chairman of the Pacific Forum, said that American economic circles are watching closely "China's ongoing economic reforms".

They are also following the three-day seminar with great interest, which will focus on discussions about bilateral economic and technological cooperation.

Thomas Thomson, a member of the American delegation, said that China's reform has mainifested itself most markedly in agriculture, and China's light industry has also made great strides.

He went on to say that China has improved the competitiveness of its products on the world market by making manufacturers stand the test of the market to improve efficiency and introducing foreign investment to improve product quality and increase variety and exports.

Attending today's opening session were Chinese State Councillor Gu Mu, State Economic Commission Minister Lu Dong, and 100 Chinese and U.S. scholars and economists.

In his speech, Gu Mu stressed the importance of further tapping the potential for Sino-U.S. trade and economic cooperation. "I hope more American firms will come to invest in China," he said.

Yao Yilin Meets Delegation

OW181801 Beijing XINHUA in English 1609 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- There is "great potential" for cooperation between China and the United States in the machine-building industry, Vice-Premier Yao Yilin said here today.

In a meeting with a delegation of the Pacific Forum of the United States today, Yao said, "The industry requires sophisticated technology which China lacks, but China has rich labor resources."

One of China's advantages lies in labor-intensive industries, he told the American guests, noting: "Foreign firms are also welcome to cooperate with China in developing its petroleum resources."

The delegation, headed by Admiral Thomas Hayward, vice-chairman of the Pacific forum, is now attending the second seminar on Sino-U.S. economic relations now in session here.

The American guests agreed that China has made notable progress in the reform of its economic structure over the past few years. The on-going reform has afforded more opportunities, they said, to American entrepreneurs for economic and technological cooperation with China.

They said they appreciated the efforts of the Chinese Government to encourage foreign firms to invest in China. China's new regulations to encourage foreign investors are "favorable to both China and other countries."

SINO-U.S. EXPERTS ATTEND SEMINAR ON RELATIONS

OW201434 Beijing XINHUA in English 1033 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- Discussions on Sino-American relations would be beneficial to the steady development of relations between the two countries, Chinese and American specialists said here today.

"Multi-channel exchanges between scholars are helpful in promoting international peace and stability," said Zhang Wenjin, director of the Research Institute of International Relations of Beijing University, while addressing the opening session of a conference on Sino-American relations (1945-1955), which opened here this morning. "Both sides agree that not all memories left by Sino-American relations between 1945 and 1955 were beautiful," the former Chinese ambassador to the United States said, adding that "we should recall the decade's history with seriousness and courage."

Professor Qian Dunsheng, a Chinese participant in the six-day seminar, wrote a long letter in January, 1949, to Professor John Fairbank, who had then returned to the United States, urging the U.S. Administration to make the only far-sighted policy decision of recognizing the new Chinese Government that enjoyed the wide support of the people, the former ambassador noted.

"It would play a positive role in promoting the healthy development of Sino-American relations if hundreds of people like the two professors from both sides of the Pacific devote themselves to the study of the development of relation between the two countries," Zhang Wenjin said.

Zhang Wenjin who is also president of the Chinese People's Association for Friendship With Foreign Countries continued, using a Chinese saying, "The past not forgotten serves as guidance for the future." "To seek answers from the past is for the sake of the future," he stressed.

He expressed his belief, "an earnest and all-round study of the relations between the two countries will help promote the steady development of Sino-American relations and safeguard peace in Asia, the Pacific and the world as a whole."

Harry Harding, head of the U.S. delegation, said "the 1945-1955 period following World War II were the most difficult years in relation between the United States and China." He added, "The decade's influence cannot be said to be completely eliminated," and "actions taken then continue to serve as obstacles to improving relations between the two countries."

"To establish long-standing, mature and mutually friendly relations calls for better understanding of each other," he added, "and the current symposium is good for both in this regard."

Dorothy Borg, 74, senior research fellow of international relations at Colombia University, gave more than 1,000 books to Beijing University. The American participant served as a teacher in the Chinese university in 1948.

The seminar was co-sponsored by Beijing University and the committee on scholarly communication with the People's Republic of China.

U.S. GRACE COMPANY SETS UP SHANGHAI BRANCH

OW191153 Bejing XINHUA in English 1031 GMT 19 Oct 86

[Text] Shanghai, October 19 (XINHUA) -- Joseph Peter Grace, chairman of the board of the W.R. Grace Company of the United States got his business licence on the weekend for opening his China branch in Shanghai.

Mr. Grace, also chairman of the U.S. "Presidents Private Sector Survey on Cost Control", arrived here on Friday with his colleagues by his private jet plane.

The 73-year-old Grace has invested 650,000 U.S. dollars to set up an exclusive company called Grace China Ltd. which will have an annual production capacity of 16 million tons of can sealing compound.

The company, located 30 kilometers southwest of the city center, is expected to start production the next half of 1987. Its products will be used in China's food industry which will enable the country to have a unified material for sealing cans, said a local official.

China will pay the American company in foreign exchanges earned through exporting cans, he said. Grace said: "We come to China when many business people complain about the difficulty to do business here."

Grace has just celebrated his 50th anniversary for being the board chairman of his company. Grace added his grandfather began the company's trading with China as early as 1900.

Grace said his experience for half a century has proved that the Chinese have good commercial morality and credit and with the open policy today, they are more confident of that. "We have never been afraid that we will not make profit here and never will we leave immediately after we make money and we aim to have a long-lasting cooperation. You can gain a lot if you invest in such a large market as China," Grace said.

Grace visited China three times since 1980. He chose Shanghai as the location of his Chinese branch because he believed the city has a sound industrial foundation with quality labor forces and public utilities and transportion system favorable for export and import.

He will employ staffs and workers strictly according to his qualification standard practised in his branches in 50 countries and regions and the venture will be run with effective and advanced scientific methods, Grace said.

Grace told XINHUA that his company also sold petroleum machinery and books on popular science to China and transferred the advanced technology of paper making with bamboo and sugarcane wastes as raw materials.

FOREIGN MINISTRY REJECTS TALKS WITH VIETNAMESE

HK211126 Hong Kong AFP in English 1112 GMT 21 Oct 86

[Text] Beijing, Oct 21 (AFP) -- China Tuesday rejected a proposal by Vietnamese leader Truong Chinh to open talks on normalizing relations between the two countries.

"We have stated repeatedly that the fundamental obstacle to the normalization of Sino-Vietnamese relations in the Vietnamese aggression and occupation of Cambodia," a Chinese Foreign Ministry spokesman said by telephone.

"As long as Vietnam refuses to give up occupation of Cambodia and withdraw all its troops of evasion [as received] from that country, there is no point in talking with it," the spokesman said.

Truong Chinh, the Vietnamese party chief, told military officers Saturday that Hanoi was ready to hold talks "no matter where, no matter when and at any level" on normalizing relations with Beijing.

The Chinese rejection of the Vietnamese proposal coincides with a rise in tension on their common border and reports of serious clashes along the frontier.

(In Hanoi, the VIETNAM NEWS AGENCY reported Tuesday that 350 Chinese troops have died during the past week in fighting in Vi Xuye District in Northern Vietnam)

China said Friday that border guards launched counter-attacks against Vietnamese troops who entered Chinese territory.

TIAN JIYUN CONTINUES TOUR OF ASEAN COUNTRIES

Visits Rice Research Institute

OW191714 Beijing XINHUA in English 1523 GMT 19 Oct 86

[Text] Manila, October 19 (XINHUA) -- Visiting Chinese Vice-Premier Tian Jiyun laid a wreath to the monument of Jose Rizal, the Philippines' national hero in the fight against Spanish colonialists in the 19th century, here this morning.

This is the second day of Tian and his 15-member party's official visit to the Philippines.

Tian visited the International Rice Research Institute (IRRI) in Los Banos, 65 kilometers south of Manila, as part of his scheduled activities today.

IRRI, established in 1960, is a non-profit international research and training center for boosting rice production in developing countries.

Tian showed great interest in IRRI's seed storage area, where 83,447 varieties of quality rice seeds, including the rice hybrids developed and pioneered by China, are conserved.

Accompanied by Philippine Trade and Industry Minister Jose Concepcion, Tian also visited the Philippine International Trade Center, which is known as a showcase of the country's finest export products, including garments, leather goods, arts and crafts, furniture, food and plants.

In the afternoon, Tian toured the Puerto Azul beach, a famous scenic spot and summer resort. Concepcion hosted a dinner at the beach hotel in honor of Tian and his party in the evening.

On Relations With Philippines

OW200924 Beijing XINHUA in English 0901 GMT 20 Oct 86

[Text] Manila, October 20 (XINHUA) -- China hopes to strengthen economic and trade relations with the Philippines, Chinese Vice-Premier Tian Jiyun said here today.

He made the statement during his meeting with Philippine Finance Minister Jaime V. Ongpin this morning. They briefed each other on the economic situation and policies of their respective countries.

He said he appreciated the new Philippine Government's efforts to stress the development of agriculture and to expand exports, especially service exports.

"We sincerely hope that you will achieve early economic recovery and development," he said.

He expressed the hope that both countries would constantly compare notes in economic development.

Ongpin said through many efforts, the Philippine Government has now controlled inflation and capital outflow, and improved foreign exchange reserves. It has reduced the interest rates by half from 30 percent last February to 12 to 14 percent at present.

Tian and his party arrived here on October 18 for an official visit to the Philippines. They returned to Manila early this morning from a tour of the Puerto Azul beach, a scenic spot 75 kilometers south of the Philippine capital.

At noon today, the Cultural Center of the Philippines gave a luncheon in honor of the Chinese vice premier. The center has sponsored many cultural exchange programs with Chinese organizations over the past few years.

Extends Invitation to Aquino

OW201850 Beijing XINHUA in English 1507GMT 20 Oct 86

[Text] Manila, October 20 (XINHUA) -- Philippine President Corazon Aquino accepted here today an invitation to visit China from Chinese President Li Xiannian.

The invitation, contained in a letter to her from the Chinese president, was handed over to her by visiting Chinese Vice-Premier Tian Jiyun who called on her at the presidential palace here today.

Mrs. Aquino said that she is very happy to have the opportunity to visit China.

In the letter, Li Xiannian invited her to pay an official visit to China at a time convenient to her next year.

During the meeting, Tian, who arrived here on October 18 for an official visit, briefed the president on the economic developments in China.

"China," he said, "is hoping that the two countries will make joint efforts to open new fields of cooperation through friendly consultations in order to further enhance the existing economic and trade relations between our two countries."

Corazon said the Philippines is now trying very hard to achieve economic recovery with emphasis on the rural development. She expressed thanks to the Chinese government for the walking tractors it gave to the Philippines.

She also briefed Tian on the measures the Philippine Government is taking to stabilize the situation in the country.

In responding, Tian said, "We are very happy to see that President Aquino has taken a series of measures which are contributing to the stability and economic development of the country, and these measures have already brought about good results."

Urges More PRC-Philippines Trade

OW201956 Beijing XINHUA in English 1947 GMT 20 Oct 86

[Text] Manila, October 20 (XINHUA) -- Visiting Chinese Vice-Premier Tian Jiyun today urged Overseas Chinese to help expand economic cooperation between the Philippines and China.

In a meeting in Manila with representatives of the Philippines' one million Overseas Chinese and Filipinos of Chinese descent, Tian said he hopes they will seek new ways, such as barter trade, to develop economic and trade relations between the two countries.

China, since opening to the outside world in the lats 1970's, has been seeking to expand economic relations with foreign nations, including members of the neighboring association of Southeast Asian nations.

China will stick to its present open policy, Tian said, adding that the country will continue to improve the environment for foreign investment.

The vice-premier also said he appreciates the importance given to Sino-Philippine relations by the government of President Corazon Aquino.

"We are glad to note the great attention President Corazon Aquino has paid to the constant development of the Philippine-Chinese friendship," he said.

ARMAMENTS JOINT VENTURE TO DISPLAY WARES

HK190402 Hong Kong SUNDAY MORNING POST (SUNDAY MONEY) in English 19 Oct 86 p 1

[Text] The first armaments joint venture between China and a foreign country expects to unveil its wares at a premiere for potential Third World customers in Beijing early next month.

Britain's Vickers Defence Systems and the Chinese arms manufacturer, Norinco, will display their jointly-built armoured personnel carrier (APC) at the week-long Asiandex arms exhibition beginning on November 4.

This will be the first move in a marketing campaign planned by the Chinese partner, which has sent out 200 invitations to the exhibition; so far, about 100 acceptances have been accepted.

Under the memorandum of understanding signed last March, Vickers has produced the first APC turret for the vehicle in a record six months.

This was flown last week to Beijing. Norinco is supplying the chassis from the Yong Diang Machinery Works outside the Chinese capital.

The assembled vehicle is expected to cost substantially less than the all-British Warrior, the APC built by Vickers and its partner, GKN of the UK.

Vickers is pleased with the framework of the deal because it does not involve setting up a joint company, which, in the Chinese context, has led to serious management problems. Building one protototype is all that is required since, as is normal in arms await customers' orders.

China, which is believed to have sold at least $1,6 billion worth of military equipment to Iran alone in the past two years, has markets in Africa and the Middle East for which the new vehicle -- the NVH1 or NVH4, the longer, amphibious version -- may be suitable.

The two-man Vickers turret, armed with a Hughes 25-mm chain gun, is more advanced that the previous Norinco model, while the tough but spartan Norinco chassis keeps the overall price down.

Sir Edwin Bramall, former British defence chief and now director of Vickers Defence Systems, is expected to go to Beijing for the exhibition.

TRADE COOPERATION AGREEMENT SIGNED WITH ITALY

OW171933 Beijing XINHUA in English 1638 GMT 17 Oct 86

[Text] Rome, October 17 (XINHUA) -- China and Italy signed here Thursday an agreement on trade cooperation.

The agreement was signed by Jia Shi, chairman of the China Council for the Promotion of International Trade, and Giuseppe Patti, president of the National Institute of Foreign Trade of Italy.

Under the agreement, two study groups are to be set up in Rome and Beijing to analyze the possibilities of cooperation in the areas of technology transfer and joint ventures among the two nations small- and medium-sized firms.

Jia Shi and his party arrived in the Italian capital on October 14 after attending a conference on international economy, which opened October 12 at the Pio Manzu International Research Center in Rimini.

In the past few days, Jia has met with Italian officials, including Minister of Foreign Trade Rino Formica, as well as business leaders from industrial and financial circles.

WORLD ISSUES ON AGENDA FOR CRAXI'S PRC VISIT

OW180720 Beijing XINHUA in English 0634 GMT 18 Oct 86

[Text] Rome, October 17 (XINHUA) -- Italian Prime Minister Bettino Craxi said here today that he will exchange views with Chinese leaders on major world issues when he visits China at the end of this month.

At a meeting with Chinese Ambassador to Italy Du Gong, the prime minister said they will particularly discuss the international situation in the wake of the recent Soviet-U.S. Reykjavik summit, which failed to produce an agreement on disarmament.

He expressed his hope to promote the relationship between the two countries through his visit.

The Chinese ambassador conveyed to Craxi the good wishes of Chinese leaders for the success of his coming visit.

LI PENG MEETS WITH FRENCH GUESTS 20 OCT

OW201422 Beijing XINHUA in English 1310 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- Chinese Vice-Premier Li Peng met here today F.X. Ortoli, chairman of the board of the French Total Oil Company.

The French guests came to China to attend the commissioning ceremony of the French invested Beibuwan Wei 10-3 oilfield in the South China Sea.

Li said that China wants to expand its cooperation with foreign countries in exploring and extracting oil.

In the 1980's, he said, China has cooperated with foreign countries in more than 30 blocks for exploring offshore oil, and oil and gas have been found in many blocks.

Noting that the exploration of offshore oil is just beginning, Li Peng hoped that France will continue to cooperate with China in this field.

Ortoli said that it is also his desire to expand cooperation with China. He said he was interested in cooperative exploration of natural gas with China.

EAST GERMAN NEWS SERVICE INTERVIEWS HU YAOBANG

LD151428 East Berlin ADN International Service in German 0303 GMT 15 Oct 86

[Text] Berlin, 15 Oct, (ADN) -- In connection with the forthcoming official friendship visit by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, Hu Yaobang, general secretary of the CPC Central Committee, gave the following interview in Beijing to Werner Micke, deputy chief editor of NEUES DEUTSCHLAND, and Rolf Schablinski, deputy general director of ADN:

Question: Shortly, you, comrade general secretary, will meet with Erich Honecker in Beijing. What expectations do you have of the visit by the SED Central Committee general secretary and GDR State Council chairman of the PRC?

Answer: Comrade Erich Honecker is going to visit our country at the invitation of President Li Xiannian and myself. It is the first official visit by the highest representative of the GDR party and state leadership to the PRC since the establishment of relations between our two states. The Chinese people are looking forward to this just as much as the people of the GDR.

I have great expectations of the meeting with Comrade Erich Honecker and will exchange views with him with regard to the strengthening of our bilateral relations, the preservation of world peace, as well as other important questions of mutual interest. I am certain that his visit will introduce a new phase in the relations of friendship and cooperation between both states and will contribute to the cause of world peace. The autumn is the harvest season. Comrade Erich Honecker's visit will certainly bear fruit.

Question: The PRC has achieved remarkable results in socialist construction over the past years. In which fields are these results of the creative work of your people most clearly visible?

Answer: Our party made the decision in late 1978 at the 3d Plenary Session of the 11th CPC Central Committee to focus its work on the country's socialist modernization. This was a major turning point of historical importance. Eight years have passed since then, which can be described as representing the most successful period in the economic and political development of our country since the foundation of the People's Republic. In these years, we have achieved important progress in the following fields: Politically we put an end to the social chaos caused by the "Cultural Revolution" and have brought about fundamental changes in our country's political situation. These include: The liberation of thinking reestablished the ideological guideline of objectivity, a political situation of stability and unity has arisen, democracy and the rule of law were gradually perfected, the development of socialist intellectual culture was promoted, leading positions in the party and state apparatus at various levels were reorganized and strengthened.

In the economy, the general guideline of comprehensive reforms and openness toward the outside world was established which brought life into the national economy and led to good results. By means of the reforms we are in the process of seeking and going along the path toward the construction of a socialism of Chinese characteristics.

A new situation of steady, stable, and proportional development has come about in our national economy. In the past 5 years industrial and agricultural gross production rose by an average of 11 percent per year. Self-sufficiency in grain is secured for our people, 1 billion strong. The income of the population in the towns and the countryside rose by considerable amounts. Our country's national economy continued to progress securely this year and is expected to fulfill the state plan.

Our foreign policy, too, has been modified, supplemented and perfected. We are pursuing an independent and sovereign foreign policy of peace and have established and reestablished relations with increasing numbers of states and parties and have developed them. It is particularly gratifying that we were able to build up with many countries economic, technical, and cultural exchanges and cooperation to a degree and with a tempo of previously unknown proportions. All this has an ever stronger positive effect on the preservation of world peace and the promotion of joint development.

There are, of course, still many difficulties on our path forward. China is still a developing country. Lengthy and hard efforts, as well as international cooperation and support, are still necessary to build China into a strong, developed socialist state.

Question: What are the main tasks currently facing the CPC?

Answer: Certainly we are faced by three main tasks: The first task is to develop the economy and to work at modernization with body and soul. In the first stage -- that is to say up to the end of this century -- the gross national product per capita is to be $800 to $1,000, and our economy should reach the level of modest affluence. In the second state -- which extends to the middle of the next century, approximately to the 100th anniversary of the foundation of the People's Republic -- our economy is to approach the level of the developed countries in the world. In order to achieve this task we are relying on the consistent policy of reform and opening up and on the industrious work of the whole population.

The preservation of world peace is our second task. The danger of war still exists and we must therefore be vigilent. The peace forces have become so strong, however, that the preservation of world peace is feasible. The peoples throughout the world desire peace. I am very much in agreement with the remark by Comrade Erich Honecker that "every year must be a year of peace." China will always work for peace.

The third task is to realize the unification of our country, which is the shared desire of all Chinese on either side of the Taiwan straits. We are in favor, as an initial step, of the introduction of postal traffic trade, flights, and shipping. The Taiwan issue, after all, must be resolved through peaceful negotiations in the shape of "the country with two systems."

These three great tasks are interlinked, whereby the first is the most elementary. If China develops, it will be in a position to play an even bigger role in the preservation of world peace and advance the great cause of the unification of the fatherland.

Question: Our nations need peace to build socialism. How do you assess the possibilities of our two countries working even more closely together for strengthening peace?

Answer: Peace and development are two indivisible questions with a fundamental character, which confronts all countries of the world. Both the GDR and China need a permanently peaceful world for the successful building of socialism. If we develop our countries successfully, this will mean a strengthening of peace forces, and in this way, our peoples contribute to the safeguarding of world peace.

The GDR is situated in the heart of Europe. As the cradle of the new civilization of mankind, Europe assumes a special place in present international life. Unfortunately the flame of the two world wars, which hurled mankind into grave catastrophies, emanated from Europe. The hopes for peace and stability in the world will grow to the extent that relations between East and West European states improve at present.

We therefore sincerely hope that the countries of Eastern and Western Europe will strengthen dialogue and mutual understanding among themselves and develop their cooperation. We have a high regard for the fact that the GDR is in favor of "it is better to negotiate a hundred times than to shoot once," that it is seizing numerous initiatives for European detente, and is undertaking unstinting peace efforts for the preservation of world peace.

The fact that we do not enter into any kind of alliance or strategic relations with any superpower is an important sign of our country's independent and sovereign foreign policy. China is prepared to develop relations with all states, on the basis of the five principles of peaceful coexistence. I believe that this, in accordance with the concrete situation in China, best serves peace and stability in the world.

The fundamental goal of the efforts of our two states for peace is identical. I am convinced that the two states in the future will continue to make unstinting efforts for the joint noble cause of preserving peace.

Question: The roots of the friendly relations between the GDR and the PRC go far back to the time of the struggle for national and social liberation, against fascism and war. How do you evaluate the level of cooperation achieved? What possibilties do you see for next year?

Answer: Truly, the PRC and the GDR and two socialist states which are founded in the same year and month. Friendly relations exist between us and a deep sympathy has long linked our two peoples. We note with great pleasure that thanks to joint efforts, our relations of friendship and cooperation in the political, economic, and cultural sphere have experienced gratifying development.

As is frequently said in your country, "What has been achieved is not yet the limit of what can be achieved." The economies of our countries have their respective strengths and can complement each other well; cooperation in the scientific-technical and cultural sphere, in the education sector, and other fields still has much potential. There are thus very broad prospects. I am certain that the friendly cooperation between the two sides will develop in a productive way on the basis of mutual respect, equality, and mutual benefit.

Question: The citizens of the GDR are looking forward to the official friendship visit by Erich Honecker to the PRC with great anticipation. What would you, comrade general secretary, tell the citizens of the socialist German state on the occasion of your forthcoming meeting with Erich Honecker?

Answer: I am very glad to have this opportunity of addressing a few words to the citizens of the GDR. I have you journalists from the GDR to thank for this as you have established a friendship bridge in this way. I would first like to congratulate you warmly on the 37th anniversary of the founding of the GDR and convey to the GDR people the fraternal, comradely, and friendly sentiments of the Chinese people.

We see with great pleasure that the GDR people, under the SED's leadership, have built up a flourishing and strong socialist state out of the ruins of the last war over 37 years of diligent work. The GDR already has moved into the ranks of the major industrialized states of the world and enjoys growing international respect.

The Chinese people appreciate the traditional friendship with the GDR people. We will do everything to further strengthen and expand the friendly cooperation between our two states. On this occasion I would like to extend my wishes for the further blossoming and flourishing of the GDR and for the happiness of your people from the bottom of my heart. May the GDR people achieve even greater successes in socialist construction and the preservation of world peace.

ZHONGGUO XINWEN SHE ON HONECKER'S CHINA VISIT

HK201553 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1436 GMT 20 Oct 86

["Honecker's China Visit Draws Attention" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 20 Oct (ZHONGGUO XINWEN SHE) -- Tomorrow, GDR leader Honecker will arrive in Beijing to start his China visit, which has been drawing attention for quite a long time.

People are paying close attention to Honecker's China visit because he is the first top GDR party and state leader to visit China since the establishment of diplomatic relations between China and the GDR. In addition, with the exception of the leaders of Romania and Albania, which pursue independent foreign policies, he is the first top leader of an Eastern European country to be formally invited by China's party and state leaders to visit China since the breaking up of Sino-Soviet relations.

China will give him a warm welcome. In an interview with GDR reporters on the 14th of this month, General Secretary Hu Yaobang of the CPC Central Committee expressed his belief that this visit will be fruitful and that it will enable the cooperation and friendly relations between China and GDR to enter a new stage. About the same time, Honecker also granted an interview to Chinese reporters in East Berlin. He said that Hu Yaobang's remarks had ideologically prepared the GDR people for his China visit.

People have noticed that China has quickened the pace of establishing new relations with Eastern European countries. Last month, in less than 10 days, Chinese leaders made contacts with the leaders of Hungary, Czechoslovakia, and Poland. In October, Vice Premier Li Peng of China met with Vice Premier Lukanov [title as published] of Bulgaria, and President Li Xiannian met with the mayor of Prague and his delegation. Diplomats in Beijing maintain that Honecker's visit "will propel contacts for establishing new relations beteween China and Eastern European countries to a beautiful, encouraging new height."

Soviet leader Gorbachev is also paying close attention to this visit. According to REUTER, earlier this month, Gorbachev and Honecker discussed in Moscow the latter's China visit plans.

However, diplomats in Beijing and East Berlin generally hold the view that before the Soviets remove the three major obstacles to better Sino-Soviet relations, the unfreezing of Sino-Soviet relations is out of the question.

ROUNDUP ON DEVELOPMENT OF SINO-GDR RELATIONS

OW200346 Beijing XINHUA Domestic Service in Chinese 0209 GMT 16 Oct 86

[By reporter Xing Guimin]

[Excerpts] Berlin, 16 Oct (XINHUA) -- Erich Honecker, general secretary of the Socialist Unity Party Central Committee and chairman of the Council of State of the German Democratic Republic, will make an official friendly visit by invitation to China on 21-26 October. This will be the first visit to China by a GDR leader in 37 years, which signifies a great event in the political life of the two countries and is the natural outcome of the recent developments in relations between the two countries.

Since 1983, the level of political dialogue between China and the German Democratic Republic has been raised year by year. In 1985, China's Vice Premier Li Peng visited the GDR and th President of the GDR People's Chamber Sindermann visited China. Last May and June, Wu Xueqian became China's first foreign minister to visit the GDR in more than 20 years. Major leaders of the party and government of both sides have all personally recieved visitors from the other side.

The German Democratic Republic and China are both socialist nations. Both countries believe that all countries are all equal, regardless of their sizes, and should respect each other. [passage omitted]

In recent years, the two countries' trade and economic relations have developed satisfactorily. The establishment of an economic, trade, scientific, and technological cooperation committee between the two countries and the signing of an agreement on 1986-1990 long-term trade and payments have marked a new phase in the traditional economic and trade relations between the two countries. [passage omitted]

The scope of scientific and technological cooperation between the two nations was broadened by a scientific and technological cooperation agreement signed by them last May. [passage omitted]

Furthermore, the youth, trade unions, and other mass organizations of the two countries have also established direct contact in recent years through mutual visits of delegations. [passage omitted]

The cooperation between China and the German Democratic Republic hold promising prospects and has already extended to all areas. We believe Honecker's visit to China will definitely further promote the development of these kinds of cooperative relations.

ZHENG TUOBIN COMMENTS ON INCREASING GDR-PRC TRADE

OW201851 Beijing XINHUA in English 1431 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- The trade volume reached in agreements between China and the German Democratic Republic (GDR) registerd a record high of 830 million Swiss francs this year, a 33 percent increase over 1985.

The increasing exchanges of visit between leaders and officials of China and the GDR in recent years, and the 1986-1990 long-term trade agreement signed last year in particular, have laid a solid foundation for a steady expansion of such relations which started in the early 1950s, Zheng Tuobin, minister of foreign economic relations and trade, told XINHUA.

Statistics show that 1986 has seen an increase of 26 percent over the previous peak in 1980 in bilateral trade volume, Zheng said.

China and the GDR have so far agreed on dozens of cooperative projects, under which the GDR will provide China with rolling cold storages and related technology as well as combine harvesters.

This year China continued to export to the GDR cereals, oils and foodstuffs, as well as native produce, animal by-products, light industrial products, cotton cloth, garments, shelled peanuts, measuring and cutting tools, and machine tools.

In return, the GDR exported presses, printing machines, power cables and urea to China this year. In addition, it will also help China revamp polyvinyl chloride and lignite wax production facilities.

Zheng believed that the forthcoming visit by Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the Council of State of the GDR, will surely contribute to the expansion of trade relations between the two countries.

"We welcome more enterprises and companies from the GDR to provide China with up-to-date technology and equipment, and welcome every form of cooperation," the minister noted.

GDR'S HONECKER LEAVES ON DPRK-PRC-MPR TOUR

Begins Trip in DPRK

OW180154 Beijing XINHUA in English 0125 GMT 18 Oct 86

[Text] Berlin, October 17 (XINHUA) -- Democratic German leader Erich Honecker left Berlin for Pyongyang, Democratic People's Republic of Korea, tonight to start his official visits to three Asian states.

Honecker will visit China on October 21 at the invitation of General Secretary of the Chinese Communist Party Central Committee Hu Yaobang and President of the People's Republic of China Li Xiannian.

He is the first leader of Democratic Germany to visit China since the two countries established diplomatic relations 37 years ago.

Before he left here, he met with Chinese reporters in Berlin on October 15, speaking highly of the significance of his visit to China. He was sure that his visit will further promote the cause of socialist construction of the two nations and be beneficial to the defense of world peace.

Top officials of Democratic Germany and the ambassadors of the three Asian states to Democratic Germany saw Honecker off at the airport and wished his Asian tour a success. The third leg of Honecker's Asian tour will be the People's Republic of Mongolia.

Leaves DPRK, Heads for Beijing

OW211108 Beijing XINHUA in English 1052 GMT 21 Oct 86

[Text] Pyongyang, October 21 (XINHUA) -- Erich Honecker, the leader of Democratic Germany, concluded his four-day official visit to Korea today by reaffirming his support of Korea's struggle for peace and reunification.

Honecker was bound for Beijing after leaving the Korean capital.

Both Honecker and Korean leader Kim Il-song said they were satisfied with their discussion of international issues and bilateral relations during their talks.

Honecker said at yesterday's banquet that his country would exert all its efforts to realize the agreements signed in Pyongyang.

Germany supports the Korean people's struggle for peace, the reunification of Korea and socialist construction.

Kim said both countries agreed that they must prevent war, so he committed Korea to wage tenacious struggles to remove the dangers of war on the Korean peninsula and safeguard peace in Korea and Asia.

It was reported that the two countries signed a protocol for exchange of goods in 1987 during the visit.

Wu Xueqian Greets on Arrival

OW210358 Beijing XINHUA in English 0334 GMT 21 Oct 86

[Text] Beijing, October 21 (XINHUA) -- German Democratic Republic leader Erich Honecker arrived here by special plane this morning for a six-day official goodwill visit to China.

Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the GDR State Council, is in China at the invitation of General Secretary Hu Yaobang of the Central Committee of the Chinese Communist Party and of Chinese President Li Xiannian.

Honecker is the first top GDR and Socialist Unity Party leader to visit China since the two countries established diplomatic relations in 1949.

Accompanying him on the visit are Guenter Mittag, member of the Political Bureau and member of the Secretariat of the Central Committee of the Socialist Unity Party of Germany as well as Vice-Chairman of the Council of State of the GDR, Oskar Fischer, Minister of Foreign Affairs, Gerhard Beil, Minister of Foreign Trade, Guenter Sieber, head of the Department for International Liaison of the Central Committee of the Socialist Unity Party of Germany, and Frank-Joachim Herrmann, director of the Chairman's Office of the State Council of the GDR.

Honecker and his party were greeted at the airport by State Councillor and Foreign Minister Wu Xueqian, Zhu Liang, head of the Chinese Communist Party Central Committee's International Liaison Department, Vice-Minister of Foreign Affairs Qian Qichen, and Ma Xusheng, China's Ambassador to Democratic Germany.

Wu shook hands with and embraced Honecker beside the ramp after the plane landed at the Beijing airport at 11:10 local time. Two girls (one Chinese, one from the GDR) presented bouquets to the GDR leader.

Welcome by Li Xiannian

OW210740 Beijing XINHUA in English 0728 GMT 21 Oct 86

[Text] Beijing, October 21 (XINHUA) -- Top leader of the German Democratic Republic (GDR) Erich Honecker was honored at a grand welcoming ceremony presided over by Chinese President Li Xiannian here this afternoon.

Today, colorful buntings hung over the Changan Avenue, the main thoroughfare of China's capital of Beijing. The national flags of China and the GDR flew at the plaza to the east of the Great Hall of the People, where the welcoming ceremony took place.

When Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the Council of State of GDR, drove to the plaza at 3:00 p.m., Li Xiannian greeted him with a warm hug. Honecker told Li, "I am happy to meet you here." A youngster presented Honecker with a bouquet of flowers.

The ceremony began with a military band rolling out the national anthems of the GDR and China amid a 21-gun salute. Accompanied by Li, Honecker reviewed a three service honor guard of the Chinese People's Liberation army. Later, Honecker went around to meet the well-wishes. Some 300 youngsters waved bouquets and ribbons to welcome the GDR leader, who kept waving back.

Present at the ceremony were Ye Fei, vice-chairman of the Chinese National People's Congress Standing Committee; Wu Xueqian, state councillor and foreign minister, Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, and Qin Zhongda, Chinese chairman of the China-GDR Committee for Cooperation in Economy, Trade, and Science and Technology and minister of chemical industry.

Also present were Guenter Mittag, member of both the Political Bureau and Secretariat of the Central Committee of the Socialist Unity Party of Germany and vice-chairman of the Council of State of GDR, and others accompanying Honecker on his visit.

Li Honecker Discuss Ties

OW211150 Beijing XINHUA in English 1135 GMT 21 Oct 86

[Text] Beijing, October 21 (XINHUA) -- Chinese President Li Xiannian met Erich Honecker, top leader of the German Democratic Republic (GDR), here today.

The Chinese president welcomed Honecker, general secretary of the German Socialist Unity Party and chairman of the GDR State Council, to visit China.

Recalling their meeting in Bucharest in 1984 when they were attending celebrations of the fortieth anniversary of the liberation of Romania, Li said that he still remembered their meeting clearly.

He said that peoples of the People's Republic of China and the German Democratic Republic, both socialist countries founded in October, 1949, had maintained a traditional friendship.

He noted that the GDR people, led by the German Socialist Unity Party, had turned their country into a developed socialist country, one of the ten most developed industrial countries in the world, through their efforts in the past 37 years.

He paid special tribute to the achievements in the GDR socialist construction made through combining its economic policy with welfare policy since the eighth congress of the German Socialist Unity Party in 1971.

He also praised GDR for its advocacy of relaxation of tension in Europe, and promotion of dialogue and disarmament and opposition to arms race.

He mentioned in particular Honecker's contributions to easing the tension in Europe and promoting dialogue and cooperation between Eastern and Western countries.

Honecker replied that they had closely followed the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party held at the end of 1978, which had laid a foundation of China's current policies and helped expand the growing ties between the two countries.

Since then, he added, exchange of visits by leaders of the two countries had also increased.

He said he was very grateful to Li for his appreciation of the GDR's efforts in safeguarding peace.

As a great country, Honecker said, the People's Republic of China had made tremendous contributions to safeguarding world peace.

He said the GDR people were delighted to learn about China's propositions on disarmament put forward at the United Nations General Assembly Session. "We share completely identical views with our Chinese comrades on this issue," he noted.

Talks With Hu Yaobang

OW211156 Beijing XINHUA in English 1148 GMT 21 Oct 86

[Text] Beijing, October 21 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, said here today that the current visit to China by leaders of the German Democratic Republic showed that relations between the two countries, two parties and two peoples had entered a new phase.

He said this during his talks with Erich Honecker, general secretary of the Central Committee of the German Socialist Unity Party and chairman of the Council of State of the GDR, here this afternoon.

On behalf of the CPC Central Committee, Hu extended warm welcome to Honecker, saying that the CPC and the Chinese people regard the visit by Honecker as a major happy event.

In reply, Honecker said the GDR people eagerly hope to expand the friendly relations between the two parties and two peoples. "We have come to visit China with high expectations," he added. He gave an account of the achievements of the GDR people who, under the leadership of the German Socialist Unity Party, had developed socialist production and raised their living standards and of the efforts made by the GDR for safeguarding peace in Europe and strengthening cooperation among the European countries.

Hu said the Chinese people are delighted about the GDR's achievements.

While Honecker arrived at the meeting hall, Hu welcomed him at the door with a warm handshake and hug. Hu and Honecker met 33 years ago. They both said they were very pleased to meet again today. The two leaders are scheduled to continue their talks tomorrow morning.

LIAOWANG ON JARUZELSKI'S VISIT TO CHINA

HK170951 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 41, 13 Oct 86 pp 29-30

[Article by Yu Jiafu (5713 1367 1788): "Jaruzelski' Visit to China"]

[Text] At midnight on 18 September, Premier Zhao Ziyang's car drove slowly out of the Diaoyutai State Guesthouse. He had spent five delightful hours there with Wojciech Jaruzelski, first secretary of the Polish United Workers' Party and chairman of Poland's Council of State.

Aside from conversations with Chairman Jaruzelski, Premier Zhao Ziyang also hosted a small dinner in his honor. At the dinner, both sides gave heartwarming speeches in proposing toasts, which marked a first in the more than 20-year history of Sino-Polish relations.

Jaruzelski made a 46-hour working visit to China. Although the visit was short and there were no 21-gun salutes nor grand banquets, Jaruzelski met Chinese party and state leaders including Deng Xiaoping, Hu Yaobang, Zhao Ziyang, Li Xiannian, and conducted extensive and lengthy discussions with them, thus restoring the highest level of contact between the two countries. As Premier Zhao Ziyang put it, this is a major milestone in more than 20 years of Sino-Polish relations. Hu Yaobang also gave a high appraisal of the visit. He told Jaruzelski: "Your visit has greatly pushed forward Sino-Polish relations."

Jaruzelski is the first top Polish leader to visit China in almost 30 years. In recent years, there has indeed been greater development in Sino-Polish relations. Politically speaking, exchange visit between officials of the two governments increased rapidly, notably those between high level leaders. In June this year, Roman Malinowski, deputy chairman of the Council of Ministers in Poland, visited China. Last year, Vice Premier Li Peng and Vice Chairman Wang Renzhong visited Poland. With this visit of Jaruzelski, the level of exchange visits between the two countries is raised once more. Jaruzelski has invited Hu Yaobang, Zhao Ziyang and Li Xiannian to visit Poland and the Chinese leaders have gladly accepted. They also asked Jaruzelski to return to China for an official visit. Zhao Ziyang indicated that he would visit Poland as soon as possible, and invited Jaruzelski to make an official visit to China in the near future.

During his meeting with Jaruzelski, Zhao Ziyang emphasized the principle for developing bilateral relations: mutual respect in politics and mutual benefit in economics. The relations developed on the basis of this prinicple would have immense vitality. This principle also fully embodies the reality in the development of relations between the two countries.

The Chinese leaders indicated that China has consistently shown friendly concern on every achievement of the Polish people in socialist construction. A few years ago, Poland had some difficulties. Adopting a series of effective measures and relying on the people's strength, the Polish United Workers' Party and the Polish Government rapidly stabilized the domestic political situation and gradually restored and developed the economy. During his meeting with Jaruzelski, Hu Yaobang said: "We highly appraise the measures you have taken to reverse the domestic political and economic situations."

Jaruzelski stated: The Polish people note with the greatest interest the grandiose modernization program implemented by the Chinese comrades in accordance with the concrete conditions of China's socialist construction. In Poland's relations with China, we have consistently attached great importance to the desire for mutual respect and mutual understanding. He believed that this visit to China is a major event in the history of Sino-Polish relations. His talks with the Chinese leaders were productive and deepened mutual understanding. He said: "We share many similar problems, but naturally, there are also differences. Precisely because the two countries share similar problems, can the differences existing between them be gradually overcome."

Both China and Poland are socialist countries and both are undertaking reforms. Jaruzelski also exchanged experiences on reforms with Chinese leaders. Premier Zhao Ziyang said that the Chinese Government paid great attention to the experiences gained by Poland in reforms. On the other hand, Jaruzelski indicated that Poland held a friendly and supportive stance towards China's reform programs. This is also a manifestation of the two countries' mutual respect in politics.

Economically, cooperation between the two countries developed swiftly in recent years. Trade volume between the two countries in 1979 was 980 million Swiss francs, and this increased to 1.5 billion Swiss francs last year.

During their meetings, the leaders of the two countries stated that both sides will further strengthen cooperation in economics, trade, science, technology and culture. Zhao Ziyang added that aside from traditional trade, the two countries could consider new kinds of economic cooperation.

The Polish side also believed that Sino-Polish trade should not stop at the traditional form of commodity barter, and should expand more modernized forms of cooperation such as production cooperation and specialization. The Polish leaders suggested that the two countries could carry out economic cooperation in the following areas: Coal mining and maining of nonferous metal, the power industry, the architectural and machinery industry, the car industry, agricultural aircraft and helicopters, the electronics industry and food processing. They emphasized that Poland has a comparatively good foundation in the mining industry while China has enormous potential in this area. If the two countries could offset each other's weaknesses in this area, it could be beneficial to both sides.

In his talks with Polish Deputy Premier Zietek, Vice Premier Tian Jiyun indicated that China would positively study the Polish suggestion in order to probe a new path for expanding cooperation. Aside from this, the two countries could also explore the possibility of cooperation in overseas labor contracts. China could send people to Poland or could take on labor contracts with Poland in a third country.

Polish Government officials in charge of the economy and who accompanied Jaruzelski in his visit also took time out to visit the Beijing No 1 machine tool factory. [paragraph continues]

After the visit, Deputy Premier Zietek remarked that he hoped the No 1 machine tools factory would establish cooperative ties with Poland's machinery department.

On science and technology, responsible persons from the two countries' science and technology departments also conducted talks. In November this year, the Sino-Polish Commission for Scientific-Technological Cooperation will hold its 19th meeting and prepare the implementation of more than 100 cooperative items. The Polish side has expressed willingness to take part in China's "spark plan". During Jaruzelski's stay in China, the two countries also concluded an agreement on cooperation in culture and science. They will promote cooperation in the fields of science, culture and arts, education, journalism, health and medical care, social welfare and tourism.

The two countries are also ready to strengthen cooperation between their legislative organs -- China's National People's Congress and Poland's Parliament, as well as expand contacts between their socio-political organizations and trade unions.

Particularly worth noting is that leaders of the two countries also exchanged views on international issues. Both sides believed that ending the arms race and safeguarding world peace are the most urgent tasks confronting the people of all countries. It is necessary to strive to resolve conflicts and threats in all regions of the world by political means. Both sides also spoke highly of the achievements of the recently-concluded head of state meeting of nonaligned countries in Harare.

Jaruzelski's visit to China drew wide attention from world opinion. Many observers deemed that Jaruzelski's China visit preceded that of the earlier-announced trip of Honecker, general secretary of the Socialist Unity Party of Germany and chairman of the GDR Council of State, and therefore he became the first East European leader outside of Romania and Yugoslavia to visit China.

Observers also noted that in recent times, leaders of East European states have gone to China successively. Faluvegi, first deputy premier of Hungary's Council of Ministers and Rudolf Rohlicek, first deputy premier of Czechoslovakia, both visited China this year. Worth noting is the visit to Beijing by Varga Istvan, deputy director of the International Relations Department of the Hungarian Communist Party Central Committee, in September this year. In his meeting with him, Qiao Shi, member of the Political Bureau of the CPC Central Committee, said that strengthening contacts between the communist parties of China and Hungary would be beneficial to both sides. A few weeks later, Michal Stefanak, director of the International Affairs Department of the Communist Party of Czechoslovakia, stopped over in Beijing and held talks with Zhu Liang and Li Shuzheng, director and Deputy director of the International Liaison Department of the CPC Central Committee, respectively.

Jaruzelski headed a 55-man strong delegation to China on this trip, including two members of the Political Bureau of the Polish United Workers' Party Central Committee and director of its International Liaison Department. During his meeting Zhu told him in front of Chinese and foreign reporters that the entire Chinese party and people welcome his arrival.

In his meeting with Deng Xiaoping, Jaruzelski said: "All roads lead to Beijing, hence I am here."

The next to visit Beijing is GDR leader Honecker. People look forward to yet another important event in China's relations with East European states.

DENG XIAOPING PAYS TRIBUTE TO LIU BOCHENG

OW210058 Beijing XINHUA Domestic Service in Chinese 1126 GMT 20 Oct 86

[Text] Beijing, 20 Oct (XINHUA) -- Title: In Memory of Bocheng [by] Deng Xiaoping

Bocheng died after a long illness. He and I were colleagues for years, and we knew each other well. His departure saddens me deeply.

Bocheng joined the military in his early years, and he spent all his life in the military. During the war to defend the Republic and the Constitution following the 1911 Revolution, he was already a brave warrior "defending the republic with a sharp, broad sword" (Footnote 1: From Liu Bocheng's 1914 poem "Leaving Yizhou"). Today, I still have a picture he gave me -- a picture taken in 1915. He was 22 and in the prime of his life at that time, and so he looked highly spirited and energetic. While leading his men in charging enemy lines in the Fengdu, Sichuan, campaign during the war against Yuan Shikai in 1916, he was shot twice in the head, and he lost his right eye. Afterwards, he was wounded nine more times during the countless battles he commanded over a period of nearly half a century, and because of his outstanding military exploits, he was universally known as the resourceful "one-eyed general."

I got to know Bocheng in the central soviet area in 1931. When we first met, he deeply impressed me as being an honest, tolerant, sincere, and kind person. In 1938, we became coworkers as commander and polticial commissar of the 129th Division of the 8th Route Army. During the subsequent 13 years, we continued to be coworkers in the Shanxi-Hubei-Henan-Shandong Field Army, the Central Plains Field Army, and the 2d Field Army. Cherishing a deep affection for each other, we coordinated our work very well. Although I was over 10 years younger than he, and our dispositions and interests varied, we cooperated very well. People habitually combined our names, calling up "Liu-Deng," and we also felt we were inseparable. I was extremely pleased to be able to work and do battle with Bocheng. Bocheng's noble style of working in unity with other comrades is still a good example for us in exercising our leadership.

Comrade Bocheng's strong party spirit was particularly pronounced in his deeds, taking the party's overall interests into account while pondering every issue. No matter what he did, he always took the overall interests into consideration and subordinated himself to the overall needs. To uphold the party's overall interest, he never hesitated to give up pesonal or local interests and he invariably took the initiative in shouldering the most diffficult and most dangerous assignments and then strived to surmount every difficulty to accomplish them cautiously and conscientiously. At the beginning of the Long March, he was erroneously dismissed from the post of chief of general staff because he opposed the dogmatic strategy of some military commanders; he was assigned as chief of staff of the V Corps. Despite the humiliation, he worked actively in order to carry out other important missions. When the Long March began, he headed the V Corps in shouldering the most difficult task of protecting the rear. In order to ensure the safety of central organs, he engaged in fierce battles with an enemy that had several times more men then he. Later, when he became commander of advanced forces, he led the soldiers in taking over one stronghold after another, paving the way for the Long March. After the 1st and the 4th Front Armies joined forces, he firmly supported the party Central Committee's policy of going up to the north to fight the Japanese, and he waged a resolute struggle against Zhang Guotao who attempted to set up another central committee in order to split up the party and the Red Army. Such noble characteristics remained unchanged during the War of Resistance Against Japan and the Liberation War and after the founding of the Republic.

When the Liberation War entered its second year, the Central Committee decided to dispatch the 100,000-man force of the Shanxi-Hebei-Shandong-Henan area into the Dabie mountainous region to steer the war into Kuomintang-dominated zones. This was a high-risk, strategic mission because his rear was defenseless. Knowing that some cadres were worried about the mission, Bocheng told them that the mission could lure the enemy to attack them, thus alleviating the pressure on fraternal field armies. He said that they should not be afraid of taking such a drastic measure to deal with the situation, and that even if it meant sacrifices, they were duty-bound not to turn back. With such an attitude, Bocheng set an example in carrying out various resolutions of the party and the strategic policies of the Central Committee.

Comrade Bocheng was an outstanding intellectual and military strategist of our party and army. He was one of the very few at home and abroad who had such a mastery of military art and military theory. He was well versed in the art of war, and he was good at applying the essence of Chinese and foreign military science -- both ancient and modern -- to guide China's revolutionary war. In directing military operations, he stressed the need to seek truth from facts and proceed from practicality. He was good at accurately judging the enemy's situation, thoroughly planning an operation, and defeating his adversary by surprise. Even his enemies admired his foresight. In Bocheng's own words, foresight in military operations means fully understanding the mission, the enemy's situation, your own situation, the time, and the terrain. He compared these five factors with the five elements [metal, wood, water, fire, and earth, held by ancient China to compose the physical universe and later used in traditional Chinese medicine to explain various physiological and pathological phenomena, and often said: "If we are not certain about the five elements, we will face complete defeat." What Bocheng opposed most were acts of sticking to conventional military dogma, carelessness, and oversimplification. He often humorously used these common Sichuan sayings -- "Burning joss sticks at the wrong temple," and "hitting the wrong target like a mosquito biting a clay Buddah" -- to criticize those comrades who paid no attention to reconnaissance and investigation, who commanded unscrupulously, and who worked carelessly. While Bocheng was good at summing up his own experiences and theorizing military operations, he was also good at using theories creatively to guide military operations. He was an exceptional Marxist military theoretician who contributed significantly to the formation and development of Mao Zedong Military Thought. It is proper to say that Comrade Bocheng's military theories constitute an important part of Mao Zedong Military Thought.

As an exceptional military scientist, Bocheng's strategic foresight was demonstrated not only on the battlefield but also in the modernization and regularization of our armed forces. During those years when our army only had millet and rifles, he began to think about the reconstruction of our army, with hopes of developing it into one with several services capable of fighting a combined battle. During the second half of 1946, wars were frequent in the Shanxi-Hebei-Shandong-Henan liberated zone. There was an average of 1 battle every 20 days. Under such circumstances, he still made use of every spare moment to translate and proofread the book "Coordinated Tactics." He highly appreciated the famous Soviet play "The Front" and time and again stressed that we should emulate Ognev, who had the courage to accept new things, instead of acting like the conservative (Gorlov). Confronted with new tactical ideas under the new situation, Bocheng himself became one of the earliest leaders to attach great attention to learning other countries' achievements in modern military science and considered education and training as a strategic task essential for building our army. Shortly after the liberation of the Mainland and taking th overall needs of military construction into account, he wrote to the Central Committee requesting that he be relieved from the posts of chairman of the Military and Administrative Commission of southwest China and commander of the 2d Field Army; he volunteered to organize an army university (which was later called the Military Academy of the Chinese People's Liberation Army). Bocheng worked his heart out to train military officers knowledgeable in modern military science.

Even when sight in his remaining left eye seriously weakened, he, with the help of a magnifier, still proofread, examined and approved some 1 million characters of translated foreign military works and large amounts of self-compiled teaching materials. His many contributions to the military academy are still of great use for our armed forces' modernization and regularization. It is unfair that he was denounced in 1958 for practicing dogmatism. It is fully justifiable to say that Bocheng was one of the initiators of our armed forces' modernization and regularization. We will forever cherish his important contributions in this regard.

Bocheng attached great attention to political work. He not only respected political commissars but staff members of political organs as well. Whenever he inspected the soldiers, he invariably asked political organs to send people to go with him. He did so not because he wanted someone to write speeches for him or report his activities in newspapers but because he regarded representatives from political organs as people with whom he could discuss things whenever necessary and, when he had to make a military plan, they could plan political work without delay. Whenever he conveyed the Central Committee's directives to the soldiers or conducted political mobilization among them, more often than not he would send outlines of his speeches to the political organs for examination and revision. He did so not merely because of modesty but because he wanted the armed forces to regard political work as their lifeblood. He ws always personally concerned with political and ideological education among the cadres and fighters and with the development of political work. We can say that, among the high-ranking military commanders of our armed forces, he wa a model who attached great attention to political work and was good at doing it.

When Bocheng was still a young man, he decided to "save the people from the abyss of misery." It was specifically this broadmindness that gradually turned Bocheng into a communist from an old-type democrat. Like many other people who were concerned with the destiny of the country and the people, he realized from his personal experience that to achieve independence and emancipation, China and the Chinese people could rely on no other way then that guided by the Communist Party. Although Bocheng got into contact with communists in 1924, he did not immediately join the Communist Party. He chose his political course after a 2-year period of serious observation and deliberation. Once he made up his mind and made the choice, he did his utmost, even if it meant death, to realize his belief. From the very first day he accepted Marxism and joined the CPC -- from the period of democratic revolution to the period of socialist revolution and construction; from the years of war to the years of peace; from being a commander on the battlefield to an organizer of a military academy; and from good to bad times -- he consistently dedicated himself entirely to the needs of the party and assimilated himself with the party cause and never considered his personal gain or loss at any time or any place and no matter how the objective situation had changed. He had really reached the realm where he was able to forget himself.

During the winter of 1942 when soldiers and people in Taixing Shan and comrades in Yanan greeted Bocheng's 50th birthday, he said: Without the party, people like us could hardly achieve anything meaningful. He then continued: When I die, it will be my greatest consolation if my tomb has this epitaph: Tomb of Liu Bocheng, a Chinese Bolshevik.

Recalling his exceptional contributions and his strong party spirit, as well as the fighting course Bocheng had traversed, he is worthy of the glorious title of a genuine communist -- a Chinese Bolshevik.

LIAOWANG CARRIES INTERVIEW WITH HU YAOBANG

HK210715 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 42, 20 Oct 86 pp 3, 4

[Article by Peng Di (1756 6611) and Qian Xing (6929 5887): "Hu Yaobang Meets WASHINGTON POST Reporters Delegation"]

[Text] Abstract: The problem of successors of party and state leaders will be solved in the 13th CPC national congress in a more effective way.

Reform in China is progressing smoothly and is irresistible. However, the development of historical trends is never smooth sailing. Obstruction comes partly from leading groups lacking experience, and partly from a handful of people with outmoded views of small producers and from force of habit.

Abuse of power is completely out of line with the socialist democracy and legal system. China is employing a series of serious methods to eradicate the malpractice of abusing power. We can only rely on hard work rather than making up to restore the image of socialism.

The problem of Cambodia is a main obstacle to the improvement of Sino-Soviet relations. This is not a difficult question for the Soviet Union. It can be solved easily.

The number of people who favor the reunification of the motherland is increasing year by year. The realization of the reunification of the motherland is an irresistible historical trend. [end abstract]

Standing at the lake shore in Beijing's Zhongnanhai, one finds that the autumn sky is clear and the air is crisp. Hu Yaobang, secretary general of the CPC Central Committee Secretariat, met in his reception room Mrs Catharine Graham, president of the WASHINGTON POST Corporation and a well-known figure in the U.S. press circle, and members of her party. The conversation lasted 2 hours.

It was truly a rare chance for the American reporters to have a detailed talk with Secretary General Hu Yaobang. At 1600 on 23 September, the American guests, looking excited, were ushered into the reception room. Mrs Graham once visited China in 1977. Some 9 years after her first visit, "seas have changed into mulberry fields and mulberry fields into seas" in present-day China. The present is incomparably superior to the past. Just as Mrs Graham pointed out upon her arrival in Beijing, she felt that reform had brought a new look to China. To know more about the country, a reporters group from the WASHINGTON POST and NEWSEEK led by her raised many questions on the situation in China and its policies in the hope of getting authoritative answers from Secretary General Hu Yaobang. Some of these questions are sensitive, to which Western countries have paid general interest. Hu Yaobanga not only answered all the questions, but also answered them in a vivid and unique way. Some of the answers contained his original views. They discussed the questions frankly, openly, and clearly with profound meaning implied. Several days after the meeting, the guests still talked about the interesting meeting.

Has the Problem of Successors Been Solved? [subhead]

The problem of successors to the Chinese leaders is one in which the West feels most interested. Graham and members of her party asked bluntly: Although Chairman Deng Xiaoping hopes that he can retire from public office earlier, the party and the people want him to retain his post. Does this not mean that the problem of successors has not yet been solved?

Hu Yaobang answered: Comrade Deng Xiaoping is a party and state leader who has enjoyed the great support of the Chinese people. Why is he so strongly supported by the Chinese people? To me, there are two reasons for this: 1) From their practical life over the past several decades, the Chinese people have realized that he is extremely loyal to the cause of the Chinese people, and that his wisdom is incomparable. 2) In the period of 10 years since the fall of the gang of four up to the present, the Chinese people know from their own experience that the views and policies worked out by Comrade Deng Xiaoping are the most correct. He has played a key role. In a certain sense, the second reason is more important than the first. Therefore, the Chinese people still want him to retain his leading post in the party and the state. This is natural and understandable.

In this regard, to say that the problem of successors for our party and state leaders has not yet been thoroughly solved is not completely groundless. However, I do not completely agree with the view that the problem of successors for the Chinese leaders has not yet been solved. Actually, regarding the problem of the successors for our party and state leaders, we made an explicit decision a few years ago. In other words, the problem has been solved in terms of direction and policy. First, we have made the clear decision on abolishing life tenure in leading posts. Second, we explicitly made it a rule that the party and the state pursue a collective leadership system to avoid overconcentration of power by any certain individual. Third, not long ago, our party discussed and made a decision on working out plans for the reform of political structure within a year. With the three decisions mentioned above. I belived that the problem of successors for the party and state leaders will be solved in a more effective way in the 13th CPC National Congress.

The visiting American guests continued to ask: As a top leader of China, what have you done to ensure fine leadership quality?

Hu Yaobang humbly and scientifically answered questions involving himself. He said: Our country is now pursuing a collective leadership system worthy of the name. In this collective, there are persons who play a key role. However, there is no such top leader prescribed by law. I am a member of this collective, and I believe that I have done my bit. However, due to the fact that my experience and wisdom are limited, it is impossible for me to make the unique contribution that Comrade Deng Xiaoping has. To me, we should all consider the following two points while talking about the quality of Chinese leaders: 1) They should be good at applying the universal truth of Marxism to the specific practice in China. This is where the true hope for success of the great cause of the Chinese people lies. 2) Before asking other communists and the masses to do something, they should first take lead in doing the thing first.

Where Does the Obstruction Lie? [subhead]

Reform in China is an eye-catching event in the world. People abroad have witnessed the achievements of reform. At the same time, they also show concern for the problems brought about by the reform. This was a main issue which Graham and her party tried to figure out during their trip. She said: China has left an impression on people of profound development and progress. However, what kind of obstruction has it encountered?

Hu Yaobang answered: Generally speaking, reform in China is developing very smoothly. Like the rapid flow of the Chang Jiang and Huang He, it is irresistable. However, the historical trend which promotes the progress of history is never smooth sailing. It is impossible to completely avoid obstructions. Obstructions come from leading groups that lack experience. While dealing with some problems, they were irresolute, or failed to make a well-conceived arrangements. Obstructions also come from a small number of people with the outmoded views of small producers and from force of habit. Reform is like ball game with new rules. But the referee is still the old one. To remove obstructions, we should employ a method of persuasion and education. Besides, we should pay attention to practice, because true knowledge comes from practice.

The guests asked: How would you undo the currently existing problems of cadres and the children of senior cadres abusing their power or authority of office to do things in violation of law and discipline?

Hu Yaobang said: We have really not yet eliminated the phenomena of abuse of powers or authority of office, which are completely incompatible with the socialist democracy and legal system. We are now adopting a series of serious methods to eliminate this kind of phenomena. We have two methods: First, to strengthen and perfect the legal system, and second, to build a sound system. The situation will become better and better year after year. Of course, we still have to go through a considerably long period of struggle.

He said that only an extremely small number of people violate the law and discipline, including some children of senior cadres. At present, there are about 300 million people who are 20 to 40 years of age in China, of which only about 100,000 are children of senior cadres, accounting for 0.03 percent of the total. Moreover, t he majority of the children of senior cadres are good and only 1 or 2 percent of them are bad. This means that there are only 1,000 or 2,000 bad people and that they will not get anywhere. As we are now stressing that everyone is equal before the law, whoever violates the law will be punished according to the law and the children of senior cadres are no exception.

The "democracy wall" which once appeared in China aroused great interest in the West. Some people even regard it as a symbol to judge whether China practices or opposes democracy. This is indeed an extremely big misunderstanding. In fact, the "democracy wall" is a refurbished version of the big character posters which led China to the 10-year catastrophe. Some people harboring ulterior motives made use of this kind of convenient means to start rumors, stir up troubles, libel and attack people, and whip up violent struggles, resulting in big upheavals throughout China, a retrogression of Chinese history for several decades, and numerous deaths and broken families. The Chinese people will never forget this bitter experience. Incidently, it should be pointed out that neither the United States nor any other Western country that claims to be democratic has ever practiced this kind of anarchical "democracy." Nevertheless, the visiting U.S. guests once again raised this issue of the "democracy wall" to Hu Yaobang.

Hu Yaobang explicitly told them" "The 'democracy wall' which appeared in Xidan after the downfall of the gang of four was a product repeating the erroneous practices of the Cultural Revolution. Although most of the participants were innocent and naive youths, generally speaking, it was a negative factor endangering t he stability and unity of the Chinese society at that time. In 1979, at the request of the vast number of the people, we banned it. I think that this was a right thing to do."

During the interview, the U.S. reporters mentioned that the faith of some Chinese youths in the party and Marxism is not as steadfast as before and the policy of opening up to the outside world has inevitably brought spiritual pollution to China.

Hu Yaobang frankly said: Apart from China, there are some people in the world who also believe that the image of socialism is not very good. This is a fact. That the image is not good is simply because we did not do well. And this is mainly manifested in two aspects: First, economic development is not rapid; and second, some political errors occurred and some disturbances and shortcomings in the handling of issues like democracy, human rights, and so on happened. There is no other way of restoring the image, except for relying on our own efforts to work. We just cannot rely on makeup. (laughter)

He said: Opening up would surely bring along some concepts and lifestyles that seem unacceptible to some Chinese people. However, on this issue, we can not blame the foreign friends but ourselves. Whichever Western thing can be accepted and whichever Western thing cannot be accepted is not the business of foreign friends but ourselves.

When the guests asked what important measures China will take in the reform next year, Hu Yaobang said that we should primarily conscientiously expand the decision-making powers of enterprises and put it in a central position.

He said: We sum up China's socialist construction in two major objectives: One is to build a developed material civilization, and another is to build a lofty spiritual civilization. We shall march toward the two major objectives and fight ceaselessly.

Katherine Graham took advantage of this opportunity to convey to Hu Yaobang the complaints of foreign enterprises about China's investment environment. Hu explicitly indicated that China had made a series of new decisions on encouraging foreign capital and improving the investment environment. Hue said: We were a little late in knowing the rational views of foreign entrepreneurs but we know them nonetheless.

The guests also asked: By making gestures to China, does Gorbachev really want to improve Sino-Soviet relations?

Hu Yaobang said: This is hard to judge. It is possible that he really wants to improve relations. However, in order to genuinely improve relations, it is essential to remove the three obstacles. The principal one is the Cambodian issue. This is because the Soviet Union supports Vietnam. Had it not been for the Soviet support, it would have been impossible for Vietnam to continue that war for even a year. We have not presented the Soviet Union with a difficult problem because it can be solved very easily. At least, it is not difficult to solve it.

Does China Have a Timetable for Reunification? [subhead]

The topics of conversation turned to the Taiwan issue and Sino-U.S. relations. The guests asked: How can you hope to have reunification with Taiwan when so few people there seem interested in it?

Hu Yaobang said: You are speaking the truth describing the real situation in Taiwan. But I would like to add two points, which are also a real situation. First, the great majority of people in Taiwan do not know the real situation on the mainland because of the news blackout imposed by the Taiwan authorites. Second, the number of people who are in favor of reunification in Taiwan is increasing year by year. So, I am confident of China's reunification.

The reporters asked: In view of the fact that the Taiwan side has rejected the mainland's numerous proposals on reunification, is the mainland side ready to make more concessions? Does the mainland side have a timetable?

Hu Yaobang said: I think Taiwan's attitude has changed somewhat. It is not true that it has not changed at all. After reunification, Taiwan will enjoy more decision-making powers than Hong Kong and can preserve its armed forces. It is impossible to have more liberal terms than this because we shall find it difficult to agree. A timetable cannot be fixed but reunification must be achieved. We must achieve reunification and that is our timetable.

Graham again asked: What do you think the United States can do to bring about reunification with Taiwan?

Hu Yaobang said: The Chinese people's aspirations for the reunification of the motherland is an irresistible historical trend. If your government and public figures in the United States can do something on the question of China's reunification, I think it will add a new chapter to the annals of Sino-U.S. friendship. As for what your government and public figures can do, I think they can do many things. Naturally, we do not want to see your government and public figures use coercive means to force other people, including the Taiwan people, to do this or that. We do not want to see this situation. Contact with foreign countries does not simply mean either providing aid or exerting pressure. I think we can find many other effective forms of activities.

The U.S. side invited Hu Yaobang for a visit to the United States a long time ago. Graham said: I hope you will accept the U.S. invitation because you will certainly leave a deep impression on all people.

Hu Yaobang said: As far as I am concerned, I am willing to go. But this must be discussed with other leaders and I cannot decide it myself. Before I go, however, we should attain some new understanding in our friendly relations so that I can justify myself to the party and people when I return.

Graham went on asking: What do you mean specifically by new understandings?

Hu Yaobang said: It would be better for the foreign affairs departments of the two countries to talk them over first. I shall not mention them if your government cannot do them.

The 2-hour meeting passed quickly. Perhaps this is the only question that has not been thoroughly discussed. However, either China's reform undertakings or Sino-U.S. relations are articles that cannot remain unfinished. General Secretary Hu Yaobang's talk has left many fresh ideas, inspiring people to go on writing these articles and to write them better.

PLA DAILY ON BUILDING SPIRITUAL CIVILIZATION

OW200544 Beijing Domestic Service in Mandarin 2230 GMT 19 Oct 86

[From the press review]

[Text] JIEFANGJUN BAO carries an article by (Jiang Siyi) entitled: The Basic Tasks of Building a Spiritual Civilization in the Military. The article, in accordance with the Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilizaiton, suggests that building a spiritual civilization in the military should focus on shaping well-educated and self-disciplined modern soldiers with lofty ideals and moral integrity, who will be able to meet the needs of modern warfare. This is necessary to suit the needs for building a modernized and regularized revolutionary army, as well as for training military-local dual-function personnel to join the nation's building of a material civilization.

ECONOMIC COMMISSION OFFICIAL ON IMPORT PLANS

OW201436 Beijing XINHUA in English 1122 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- China plans to import 3,000 advanced technology items in the next five years, a high official said here today.

"More foreign experts will be invited to work in China," said Zhang Yanning, vice-minister of the State Economic Commission, at the Sixth Business Leaders Symposium which opened here today.

He told more than 100 foreign entrepreneurs and specialists from 24 countries and regions that 3,900 items of advanced foreign technology were imported during the country's Sixth Five-Year Plan period (1981-1985), which involved an investment of 3.6 billion U.S. dollars.

"One-third of them are now operational and yielding good economic results," the vice-minister added.

More than 2,500 foreign specialists in technology and enterprise management have been invited to work in the country in addition to the 10,000 who came to direct the use of imported equipment during the past two years.

The business leaders symposium, co-sponsored by the China Enterprise Management Association and the world economic forum, has been held annually in Beijing since 1981.

During this year's four-day symposium, foreign participants will meet high officials in various ministries and discuss with Chinese counterparts management topics and possibilities for further cooperation.

Economists here speak highly of the symposium. They say it has provided a good opportunity for China to "train leaders and enterprise managers to be more familiar with cooperative work with foreign counterparts and learn more advanced management skills".

In his speech, managing director of the world economic forum Stephane Garelli said, "the establishment of the symposium will continue to serve as a bridge between Chinese enterprises and those in the rest of the world."

Kare Willoch, former prime minster of Norway, attended the opening ceremony and made a speech on key issues in the world economy and the need for improved cooperation.

GU MU ON PROVISIONS FOR FOREIGN INVESTMENT

OW201430 Beijing XINHUA in English 1042 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- China will unswervingly carry out its new provisions for encouragement of foreign investment, State Councillor Gu Mu said here today.

Speaking prior to the opening ceremony of the Sixth Business Leaders Symposium, the state councillor also said that the new provisions will be implemented throughout the nation in the fourth quarter of this year or early next year.

The 22 provisions, Gu said, have provided foreign investors with preferential treatment concerning taxation, rent and investment environment.

The new provisions have also granted foreign businessmen more decision-making power, he pointed out.

The state councillor said that although China has carried out the policy of opening to the outside world for some seven years, it is likely that the new provisions are far from perfect due to lack of experience.

"We can't expect the 22 provisions to solve all the problems," he added.

He stressed that the Chinese Government is willing to listen to the views of foreign expects, business leaders and scholars concerning the new provisions.

He said that the government will continue to draw up more such provisions so as to further improve the investment environment and attract more foreign funds to speed up the country's economic construction.

RENMIN RIBAO EXPLORES ENTERPRISE BANKRUPTCY

HK201001 Beijing RENMIN RIBAO in Chinese 10 Oct 86 p 5

[Article by Dong Fureng (5516 6534 4356): "On the Enterprise Bankruptcy System"]

[Text] Enterprise bankruptcy has recently become the talk of the town. There are some questions that must be clarified.

Where There Is Competition, There Should Be Bankruptcy [subhead]

It was a fixed rule in the past that socialist enterprises should not go bankrupt, which was regarded as a superiority of the socialist economic system. This is because enterprise bankruptcy meant that the incompetent would be eliminated and old the best would survive. In addition, it would also lead to unemployment. This phenomenon, which existed only in the private economy, particularly in the capitalist economy, was regarded as a thing incompatible with the socialist economy. This viewpoint is incorrect. Competition is indispensable to a socialist commodity economy. Without competition, there would be no pressure. Without competition, people would be satisfied with the existing state of affairs and remain at a standstill rather than exercise management conscientiously. Competition would be empty talk and not a genuine thing if it could not eliminate the incompetent and enable the best to survive. Regarding enterprises, the limits of failure and elimination are tantamount to going bankrupt and being merged with other enterprises, repaying debts with remaining assets, and resulting in the staff members and workers losing their jobs. In encouraging competition, it is only by using enterprise bankruptcy can we apply the greatest pressure to push enterprises forward. [paragraph continues]

It may seem inhuman and ruthless to let enterprises that are not properly managed, that cannot repay the debts even with their assets, and that show no improvements after remedy measures are taken go bankrupt. But we should not show any sense of pity because this, after all, is not a question of morality. Prior to the implementation of the bankruptcy system, enterprises did not care abut their deficits because all the losses were subsidized by the state. They did not seem to realize that the subsidies came from the national income created by the people. As these enterprises shifted their deficits, through the subsidies, to every member of society, everyone had to gratuitously bear the losses. If the state continues to subsidize the endless deficits of enterprises, we will have to continously bear the losses. By implementing the bankruptcy system, the enterprises that are beyond remedy will go bankrupt and their debts can be repaid with their assets. Although the staff members and workers are provided with social relief, they may feel uneasy. Thus, we can put an end to the deficits incurred by enterpises and we do not have to bear the losses any longer. Is this not a very good method? Moreover, the enterpise bankruptcy system may be a cardiac stimulani to poorly run enterprises that are at the edge of "extinction" or will compel them to extricate themselves from the jaws of death. It can also serve as a "preventive inoculation" to the vast numbers of middling enterprises.

The Question Lies in the Implementation of the Bankruptcy System in State Enterprises [subhead]

It is easy to understand and accept the bankruptcy of individual and collective enterpises and Sino-foreign joint ventures. Can we implement the bankruptcy system in state enterprises? It will not be so easy to answer this question. As the state owns the state-run enterprises, bankruptcy of a state-run enterprise is tantamount to bankruptcy of state property. Indeed, this is different from individual, collective, or joint-stock enterprises. Bankruptcy of these enterprises is bankruptcy or loss of personal property. The owner of the property will keenly feel the pain. Therefore, they will try by every means to extricate themselves from the edge of bankruptcy and seek survival and development. Although joint-stock enterprises are somewhat different, the concern of the stockholders over the enterprises will impel the board of directors and managers to do their utmost to seek the survival and development of the enterprises.

The situation is entirely different in state enterprises. When state enterprise goes bankrupt, the manager and staff manager and staff members may bear certain losses, but the property of that enterpise, after all, belongs to the state. Although the members of society will have to bear the losses arising therefrom, no one will regard it as a loss of their own property. As a result, the enterprise bankruptcy system cannot apply as great a pressure on state enterprises as on enterprises run by other economic sectors. In addition, its role will also be diminished. In order to further impel the state enterprises with the enterprise bankruptcy system (naturally, the role of the bankruptcy system goes far beyond this), it is necessary to reform the state ownership system. This does not mean that state enterprises cannot implement the bankruptcy system because it is far more necessary for them than for the enterprises of other ownership systems. Around one-fourth of China's industrial enterprises suffer from deficits every year (some of them are the consequences of poor management). Some enterprises have suffered running deficits for years, and their deficits have already outstripped their assets. As they cannot even repay the debts, their creditors, the profit-making enterprises, are also involved. It would be better to endure the temporary pain of these enterprises going bankrupt than to let them continue to incur deficits. We should never hesitate, even though the bankruptcy of these enterprises is tantamount to the bankruptcy of a part of state property. The implementation of the enterprise bankruptcy system may also serve as a warning to the majority of enterprises that can be saved.

A Method for Keeping the Enterprise Budget Within Bounds [subhead]

China has achieved some successes in the reform of the economic structure over the past few years. But now we have encountered difficult problems. Some reforms are theoretically feasible and should have yielded certain results. In reality, however, they either would not work, or were in the wrong form, or have not brought about the anticipated results. The reason is many-sided. The lack of corresponding reforms is an example. Let us keep the matter aside for the moment and discuss it later. Nevertheless, it should be pointed out that we have not been strict enough in keeping the enterprise budget within bounds. Although we have repeatedly stressed that state enterprises should assume sole responsibility for their profits and losses, no substantial progress has been made in this respect so far. This is because state enterprises belong to the state. Even if they incur serious deficits, the state subsidizes them, grants loans, exempts them from paying interest or even the loans themselves, extends their repayment period, or simply regards them as bad debts. In a word, a variety of measures can be taken to keep the enterprises from going bankrupt. With an iron rice bowl in hand, what is there to be afraid of? You get your pay and even bonuses and can get along as usual. If the state intends to indirectly regulate the activities of enterprises by means of economic levers under the circumstance that the enterprise budget is not strictly kept within bounds, the enterprises would be like paralytic patients who show little or no reaction to any kind of stimulus, or who are allergic or resistant to the medicine. If you levy taxes on bonuses, I can invent various pretexts to issue material goods and subsidies so as to frustate your plan. If you raise the interests on loans to curtail demand, I will accept this as usual because the more interest I pay the less taxes you will get. If you do not allow me to increase the price of my products, I can raise it in a disguised form, or lower the quality of products, or sell the old products as new ones. Wage increases and bonuses have become the stimulant for certain enterprises. Moreover, some enterprises have gone too far in recklessly issuing bonuses and continuously increasing the amount of bonuses. As the people often say: You have your policies, I have my countermeasures; and the macroscopic regulation lacks a microscopic basis. The microscopic basis refers to the failure of enterprises to keep their budgets strictly within bounds and to assume sole responsibility for their profits and losses. In order to keep the enterprise budget within bounds and to enbable enterprises to assume sole responsibility for ther profits and losses, it is necessary to carry out all-round reforms, including the reform of the state ownership system. The implementation of the enterprise bankruptcy system is one of the methods that can enable enterprises to take a step forward in keeping their budgets strictly within bounds and in assuming sole responsibility for their profits and losses. The reform of the microscopic basis which cannot be achieved within a short period, is definitely not an easy job. This is also the case in the reform of the state ownership system. Under such circumstances, it is imperative to implement the enterprise bankruptcy system.

The Necessity for Corresponding Reforms [subhead]

Apart from the promulgation of an enterprise bankruptcy law, the implementation of the enterprise bankruptcy system also requires ideological, economic, administrative, legal, and social conditions. Only by possessing the necessary conditions can we effectively enforce the enterprise bankruptcy law and achieve better results in implementing the enterprise bankruptcy system. There are many reasons for deficits incurred by enterprises. There are subjective reasons, which include poor management, and also objective reasons, which include problems in resources, geographical locations, transportation, and prices. If an enterprise incurs deficits due to subjective reasons and is beyond remedy, it should certainly to bankrupt. However, if the deficits incurred are due to objective reasons, the matter should be dealt with in a different way. Some deficits can be made up with the efforts of enterprises, while some cannot. [pararaph continues]

Regarding individual and collective run enterprises, whatever reason it may be, if their deficits approach or exceed their assets, they should go bankrupt. Naturally, the state should adopt remedial measures prior to their bankruptcy. The question would be rather complicated in regard to state enterprises. Even though the deficits are due to subjective reasons, the enterprise will not have to bear any responsibility. For example, if an enterprise incurs deficits because it has more hands than needed, the problem can be solved by reducing the staff. Due to the restriction of the current labor system, however, besides the difficulties in reducing the existing staff, you may have to accept as a "task" more staff members assigned by relevant departments. Only when state enterprises have the decision-making power in their operation and management can they assume sole responsibility for their profits and losses and undertake the legal responsibility of paying their debts with their capital. Otherwise, it would be impossible to smoothly implement the enterprise bankruptcy system.

In China, deficits of state enterprises can be divided into two categories: Deficits of an economic nature and deficits of a policy nature. The deficits of a policy nature are due to the economic structure, such as the deficits caused by irrational prices. Some deficits of a polcy nature could be avoided if enterprises had adequate decision-making power. If there are large numbers of enterprises suffering from deficits of a policy nature, the implementation of the bankruptcy system would be restricted. Moreover, it is sometimes rather difficult to distinguish the devicits of an economic nature from those of a policy nature. Under the protective umbrella of the deficits of a policy nature, the enterprises can get along safely by relying on state subsidies. Thus, it would be difficult to implement the enterprise bankruptcy system without the reform of the economic structure. Similar problems will also be encountered in the reform of the political and legal systems. Naturally, it does not mean that the implementation of the enterprise bankruptcy system will be impossible before the perfection of other reforms. Instead, it is necessary to comprehensively and effectively create conditions for the implementation of the enterprise bankruptcy system and carry out the corresponding reforms, including the establishment of a labor insurance system for the staff members of bankrupt enterprises. Meanwhile, the implementation of the enterprise bankruptcy system can also in turn promote the reform of other fields.

TRADE FIGURES SHOW HIGHER EXPORTS, FEWER IMPORTS

OW181036 Beijing XINHUA in English 0830 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- China's exports are increasing faster than its imports in the first nine months of 1986, according to customs' statistics.

Zhang Zhongji, spokesman for the State Statistics Bureau, announced at a press conference here this afternoon, "China's export volume in January-September, this year, increased 14.8 percent over the same period in 1985 to 21.4 billion yuan (about 5.8 billion U.S. dollars), while the import volume rose 5.1 percent to 30.3 billion yuan (about 8.2 billion U.S. dollars)."

"Trade between China and the Soviet Union, the European Economic Community, Hong Kong, and Macao has markedly increased. A rise can also be seen in trade with the United States, but with Japan both imports and exports have been down," he told reporters.

Exports to the Soviet Union in this period increased by 51.29 percent and imports, 57.6 percent. To the European Economic Community, exports rose by 80.1 percent and imports by 33.3.

To Hong Kong and Macao, exports saw a 36.3 percent growth and imports, 12 percent. There was a 4.4 percent increase in imports and 14.4 percent in exports to the United States, but with Japan, both imports were down by 15.7 percent and 21.4 percent respectively.

The revaluation of the Japanese yen and dropping of the oil prices were the major factors behind the decreasing of China's imports from and exports to Japan, Zhang Zhongji said.

The spokesman said it will still take a lot of work to achieve balanced revenue and expenditure in foreign exchange.

CIRCULAR FAVORS MORE MANAGER RESPONSIBILITY

OW201440 Beijing XINHUA in English 1155 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- In a bid to modernize management of government enterprises, Chinese leaders are giving more factory managers full responsibility over production and operational policies.

In a circular circulated in mid-September but made public today, the Chinese Communist Party Central Committee and the State Council, the country's highest governing body, jointly urged executives, party organizations and trade unions in state-owned industries to "work together to make the leadership reform a success."

The circular says "we must see to it that directors have full authority over major production and management policies."

According to the circular, new regulations effective October 1 have made the "manager responsibility system" a key to reform of the urban economy.

The regulations require party organizations to let managers run their enterprises and to "concentrate on making sure enterprises are being run in line with party and government policies." They also require party groups to improve party organizing and information programs.

At the same time, the circular says, workers' congresses and other democratic management systems should be improved to ensure that trade unions and workers have a say in enterprise policies and can oversee business executives to make sure they follow approved policies and uphold workers' rights.

The circular says the manager responsibility system has proven effective in promoting production and overall management and efficiency, improving the political work of party groups, and enhancing workers' sense of involvement since it was first tried out in 1984.

More than 27,000 enterprises throughout the country are managed according to the system. Previously these state-owned enterprises were under the "collective leadership" of party committees.

According to the circular," party organizations should help managers do their jobs, and managers should conscientiously participate in reviews of their performance by party and worker organizations."

PEASANTS, WORKERS DEMOCRATIC PARTY MEETING ENDS

OW210437 Beijing XINHUA Domestic Service in Chinese 1318 GMT 20 Oct 86

[By reporter Hu Qinghai]

[Excerpts] Beijing, 20 Oct (XINHUA) -- The Seventh Session of the Standing Committee of the Ninth Central Committee of the Chinese Peasants and Workers Democratic Party ended in Beijing today. A resolution adopted at the session demands that the party's organs at various levels and all its members seriously study the Resolution of the Central Committee of the Communist Party of China on the Guidelines for Building a Socialist Spiritual Civilization. They must conscientiously dedicate themselves to the building of spiritual civilization with solidarity and construction as the guiding ideology. They should further open up a new chapter in the party's work and strive hard for the reunification of the motherland and the revitalization of China. [passage omitted]

The sessjion also passed a resolution to hold the party's national congress in Beijing in April 1987.

A responsible person of the United Front Work Department of the CPC Central Committee extended greetings and spoke at the opening of the session. Vice Chairmen of the Central Committee of the Chinese Peasants and Workers Democratic Party Zhou Gucheng, Shen Qizhen, Lu Jiaxi, and Fang Rongxin attended the closing ceremony.

MINISTRIES REPORTEDLY SLATED FOR MERGER

HK180514 Hong Kong WEN WEI PO in Chinese 18 Oct 86 p 3

[Report: "Ministry of Machine-Building Industry Will Merge With Ministry of Ordnance Industry; It Is Said That Zhou Jiahua Will Be the Minister"]

[Text] According to reports from Beijing, it is disclosed by an authoritative person here that China's Ministry of Machine-Building Industry will officially merge with the Ministry of Ordnance Industry. The name of the new ministry will be submitted to the NPC Standing Committee for discussion and will be officially announced after the discussion.

It is intended that Zhou Jiahua, Minister of the present Ministry of Ordnance Industry, should be the minister and He Guangyuan, vice minister of the present Ministry of Machine-Building Industry, should be the vice minister of the new ministry. Regarding the set-up of the organs under the ministry after the merging, the principle of setting up one organ after another whenever conditions are ripe will be applied.

The merging of these two ministries is a new step taken to reform the administrative structure of China's state organs. This reform will greatly promote the further development of China's machine-building industry.

OFFICIAL CITES IMPROVED INCOMES, LIVING STANDARD

OW181330 Beijing XINHUA in English 1049 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- Chinese citizens enjoyed increased income during the first nine months of this year, a Chinese official said here today.

Speaking at a press conference, Zhang Zhongji, spokesman for the State Statistics Bureau, said, "total wage volume of the country's workers and other employees from January to September reached 105.7 billion yuan (28.6 billion U.S. dollars), a rise of 20.4 percent over the corresponding 1985 period."

He added, "The income of farmers also increased during this period, and banks paid out 55.3 billion yuan (15 billion U.S. dollars) for purchasing farm and sideline produce, a 12.5 percent increase over the same period of last year."

"Retail prices rose 5 percent on the average from January to August. And prices went up 2 to 3 percent in some of the major and medium-sized cities last month," Zhang said.

By the end of September, personal savings account balance totalled 206 billion yuan (55.7 billion U.S. dollars), 43.8 billion more than that at the beginning of this year.

Zhang noted that removal of state control over the prices of seven major industrial commodities including brandname bicycles and some small items such as buttons and needles since September would benefit production of quality products, although prices of these items were raised.

The total volume of retail sales in the first nine months grew 13.8 percent over the same period in 1985 to 354.9 billion yuan (95.9 billion U.S. dollars). Sales of meat, poultry, eggs, aquatic products and fresh vegetables increased from 7 to 29 percent.

"Housing conditions also improved," the spokesman continued, citing that residential areas with a total floor space of 24.965 million square meters were completed, 1.996 million more than in the same period of 1985.

However, he pointed out that on the whole supply fails to meet the demand, and the diversification in production of consumer goods does not keep up with the changing market.

"More varieties should be developed in addition to producing more saleable goods," he said.

RAINFALL 15-20 OCT HELPS DROUGHT-AFFECTED CROPS

OW201712 Beijing XINHUA in English 1642 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- Rainfall throughout China in the past six days has benefited the growth of winter wheat and rape.

According to the Central Meteorological Station, the country 's northern, northwestern, eastern, central, southwestern and southern areas obtained from one to 40 milimeters of rain between October 15 and this morning.

The rainfall helped ease the drought in these areas, an official of the station told XINHUA today.

YAO YILIN CALLS FOR MORE EFFORTS IN GRAIN

OW2000022 Beijing in English to North America 0000 GMT 18 Oct 86

[Text] Vice Premier Yao Yilin has warned that China will suffer grain shortages if efforts are not made to boost production. Yao Yilin says grain production is of vital importance to China's process of modernization. The vice premier's comments are contained in a forward to a new book on China's grain farming. He calls for efforts to be made to encourage the initiative of peasants and the use of modern techniques. Last year's grain production dropped from 400 to 379 million tons due to natural disasters and a reduction in grain acreage. China plans to produce 500 million tons by the year 2,000.

STATISTICS OFFICE PREDICTS GOOD HARVEST

OW181156 Beijing XINHUA in English 0910 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- China is expected to harvest 390 million tons of grain this year, 10 million tons more than last year.

Zhang Zhongji, spokesman for the State Statistics Bureau, announced at a press conference here this afternoon, "total agricultural output value can be expected to increase 4 percent over last year, with even higher increases in rural industry, construction, transportation, commerce and service trade."

"The structure of our agricultural system has been diversified," he said, attributing this to more state attention given to agricultural production.

He added, "Summer grain output amounted to 142.22 million tons, 5.33 million more than the corresponding period in 1985."

Livestock products like pork, beef, mutton and milk are expected to rise from four to eight percent and aquatic products, 10 percent, he concluded.

STATE COUNCIL CIRCULAR ON GRAIN CONTRACT SYSTEM

OW200452 Beijing XINHUA Domestic Service in Chinese 0126 GMT 19 Oct 86

[Text] Beijing, 19 Oct (XINHUA) -- The State Council recently issued a "Circular on Perfecting the System of Grain Purchases According to Contract" to all localities in the country and called for them to ensure stability in setting up next year's task of contract grain purchase and to improve the contents of the contract grain purchase system.

The circular also states that, after fulfilling his task of grain purchase according to the contract, a peasant can sell his surplus grain as the market allows, to the state at negotiated prices so he can increase his income by selling more grain at negotiated prices.

The State Council's circular says: Currently, as the autumn and winter sowing of grain crops will soon begin, it is necessary to perfect that contract grain purchase system to prepare well for grain production and to guarantee steady growth of grain output and the supply of marketable grain needed by the state during the next year. In view of this, the State Council stipulates that:

— The task of grain purchase according to contract be stabilized. The 1987 national task of grain purchases according to contract will remain at the same level as in 1986. If grain purchase tasks in a very small number of places are found to be irrational, relevant provinces, autonomous regions, and municipalities may make proper readjustments on condition that the purchase tasks checked and ratified by the State Council are not reduced.

— The economic contents of the contract grain purchase system be improved. In 1987 the central authorities will allocate some chemical fertilizer and diesel oil exclusively for the task of contract grain purchase. For every 100 jin of trade grain, 6 jin of quality standard chemical fertilizer and 3 jin of diesel oil will be allocated (on grain purchased according to contract and to be delivered to the central authorities, 10 jin of quality standard chemical fertilizer will still be allocated for every 100 jin of trade grain). Departments concerned in all localities must also do their best to allocate some chemical fertilizer and diesel oil for grain purchase. It is necessary to announce to peasants how much chemical fertilizer and diesel oil, in addition to that allocated by the central authorities, will be allocated for grain purchase. It is necessary to guarantee, at government prices, the supply of chemical fertilizer and diesel oil exclusively allocated for grain purchase by the central authorities, and prohibit their use for other purposes. Departments concerned in all places should print coupons and issue them to peasants for the purchase. The coupons should be good only in the year they are issued and are permitted to circulate among the masses. The state will pay in advance for grain purchased according to contract. The grain departments will pay, in advance, 20 percent of the price of grain purchased according to contract. The amount of payment will be deducted when peasants turn in the grain, and the interest will be paid by the central financial authorities. Specific regulations will be formulated and issued by the Agricultural Bank of China, the People's Bank of China, the Ministry of Finance, and the Ministry of Commerce. The advance payment will be made available mainly in marketable grain producing areas and to households specializing in grain production. Advance payments may also be cancelled in areas where there is no shortage of funds.

— Beginning with the 1987 harvest, the state will purchase, at negotiated price according to the market, the surplus grain peasants have left after they fulfill their task of grain purchase according to contracts, so that peasants can increase their incomes by selling more grain at negotiated prices. The question of grain needed by the state to make up for the balance of the consumption of grain purchased at government prices will be solved by purchasing some grain at government prices instead of negotiated prices. The varieties of grains to be purchased at government prices instead of negotiated prices include rice, wheat, corn, and soybean from major soybean-producing areas only. Specific regulations in this regard will be issued by the Ministry of Commerce and the Ministry of Finance.

— The 1986 state plan to purchase grain should be carried out by purchasing grain at negotiated prices, with the exception of wheat, when the autumn grain purchase begins.

The State Council emphatically points out that all departments concerned must declare to peasants as soon as possible the above-mentioned perfecting of the contents of the contract grain purchase system and make clear that the task of grain purchase according to contract is not only an economic contract but also a state task, and it is a duty peasants should and must fulfill.

MAO ZEDONG THOUGHT STUDY SOCIETY INAUGURATED

OW200002 Beijing XINHUA Domestic Service in Chinese 1331 GMT 19 Oct 86

[By reporter Cao Guanghui and correspondent Wang Kunlian]

[Text] Changsha, 19 Oct (XINHUA) -- A china society for studying the theory and practice of Mao Zedong Thought was inaugurated today. Su Shaozhi, director of the Research Institute of Marxism-Leninism-Mao Zedong Thought of the Chinese Academy of Social Sciences, is president of the society.

The inauguration of the society was announced at a national seminar on Mao Zedong Thought that ended today in Changsha.

The seminar was jointly sponsored by the Chinese Academy of Social Sciences, the National Defense Science and Technology University, the Hunan Academy of Social Sciences, and nine other units. Attending the seminar were some 150 theoretical workers from the Central Party School, the Party Literature Research Center, the PLA Defense University, and the Academy of Military Sciences, as well as from 26 provinces, municipalities, and autonomous regions. Most of the attendees were scholars or professors, who have studied Marxism-Leninism-Mao Zedong Thought for a long time. During the seminar, they delivered a total of 146 theses.

Participants in the seminar held that by pointing out that "to modernize China and build a socialist spiritual civilization, it is essential for us to adhere to Marxism-Leninism-Mao Zedong Thought," the resolution adopted by the 6th Plenary Session of the 12th CPC Central Committee on the guiding principles for building a socialist spiritual civilization has once again stressed the guidance of Marxism-Leninism-Mao Zedong Thought for building socialism with Chinese characteristics. Currently, Marxist theoretical workers' important task is to make the study of Marxism-Leninism-Mao Zedong Thought serve the overall plan of China's socialist modernization program. Only by taking Marxism-Leninism-Mao Zedong Thought as our guiding principles and earnestly implementing the party's policy of "letting a hundred flowers blossom and a hundred schools of thought contend" in studying new economic, political, cultural, and social circumstances, experiences, problems in the socialist modernization drive and the comprehensive reform, and in exploring laws for building socialism with Chinese characteristics, while studying various new cultures and ideological trends of the contemporary world and assimilating and summarizing, in a critical way, the latest achievements of all scientific subjects, can we integrate the basic tenets of Marxism-Leninism with the reality in China and creatively develop Marxism-Leninism-Mao Zedong Thought.

The participants had heated discussions on the question of emphasizing the study of natural sciences and general knowledge while neglecting the study of Marxism-Leninism-Mao Zedong Thought. They held that to adhere to and develop Marxism-Leninism-Mao Zedong Thought, it is necessary to diligently study it and grasp its basic principles; it is especially necessary to penetratingly study the CPC Central Committee's creative development of Mao Zedong Thought in the course of practice since the 3d Plenary Session of the 11th CPC Central Committee. At the same time, it is necessary to actively take part in the reform and construction and earnestly sum up the new expriences accumulated by the masses of people.

STATE COUNCIL TO OFFER BULLETIN BY SUBSCRIPTION

OW181753 Beijing XINHUA in English 1502 GMT 18 Oct 86

[Text] Beijing, October 18 (XINHUA) -- Chinese individuals and work units will be able to subscribe to "THE BULLETIN OF THE STATE COUNCIL OF THE PEOPLE'S REPUBLIC OF CHINA" from local post offices starting next January, XINHUA learned from the State Council today.

The bulletin, which carries government laws, decisions and regulations, was first issued by the council's general office in 1955 for consumption by governmental departments.

A council official told XINHUA the poublic circulation of government documents is expected to promote the construction of the country's legal system and enhance the efficiency of government.

DENG LIQUN PRAISES WEN ZHAI BAO ON ANNIVERSARY

HK171031 Beijing GUANGMING RIBAO in Chinese 8 Oct 86 p 1

[Report by Li Yuxiao (2621 2948 2556): "Deng Liqun Attends Forum To Mark Anniversary of WEN ZHAI BAO"]

[Text] Deng Liqun, Secretary of the Secretariat of the Central Committee, attended the forum marking the fifth anniversary of the initiating of WEN ZHAI BAO held in Beijing on 17 September, and pointed out: It is by no means an easy job to extract some of the most valuable new ideas and information from a sea of press, by summarizing in a few hundred words the essentials of some lengthy articles.

Deng Liqun expressed his hope that WEN ZHAI BAO would have a clear idea how to serve better its readers, and provide the cadres and intellectuals with information in various fields; at the same time it should attach attention to reporting the good experiences of various localities in implementing the resolution of the 6th Plenary Session of the 12th Central Committee. It is necessary to adhere to the "double-hundred" policy. Different views regarding academic and theoretical issues in dispute should be simultaneously carried in the newspaper. He also expressed the hope that WEN ZHAI BAO would sum up its experiences in earnest, propose effective measures for its improvement in order to run the newspaper still better.

Participants in the recent forum were people of the journalistic, publication, theoretical, literature and art, and educational circles, as well as responsible comrades of relevant departments of the party, government, and army. In their speeches, Zhu Muzhi, Geo Zhanxiang, Li Pu, Yang Zicai, Ang Furu, Li Naiyin, Deng Youmei, and Li Zhiwen held the view that WEN ZHAI BAO is a serious newspaper; it is doing a job like panning gold nuggets from the sand, and helps the readers to acquire voluminous new ideas, new knowledge, and new data within limited time. They also believed that the WEN ZHAI BAO has provided voluminous information in its short and pithy articles, and it also serves as an inspiration to the reform of journalism.

WEN ZHAI BAO is now under the sponsorship of GUANGMING RIBAO office and the All-China Journalists' Association, with a circulation of 650,000 copies.

The recent forum was presided over by Du Dao, chief editor of GUANGMING RIBAO, and Shao Tiezhen, chief editor of WEN ZHAI BAO briefed the participants on the conditions of the newspaper.

HU QIAOMU SPEAKS ON RADIO, TV SOCIETY'S ROAD

OW161053 Beijing XINHUA Domestic Service in Chinese 1430 GMT 15 Oct 86

[Text] Beijing, 10 Oct (XINHUA) -- Speaking at a meeting of the board of directors of the China Radio and Television Society, which was founded today, Hu Qiaomu, member of the CPC Central Committee Political Bureau, said: Radio and Television programs consist of arts, education, news, and etcetera. We should study how to get the best combination of all these components in order to achieve the highest goals of radio and television broadcasting. We must create better programs. We must ensure that the masses like the programs first of all, and, secondly, that they can benefit from the programs. We must conduct scientific surveys and research. I hope the society will take on this task.

Wu Lengxi, chairman of the China Radio and Television Society, and Ai Zhjisheng, minister of radio, cinema, and television, attended today's board meeting.

Speaks at Lu Xun Forum

OW200548 Beijing XINHUA Domestic Service in Chinese 1355 GMT 19 Oct 86

[By reporter Qu Zhihong]

[Excerpts] Beijing, 19 Oct (XINHUA) -- A seminar with major themes on the relationship between Lu Xun, the great pioneer of China's new literature and new culture, and Chinese-foreign cultures was held in Beijing to commemorate Lu Xun. The seminar on "Lu Xun and Chinese-foreign Cultures" that opened today has attracted 400 or so specialists, scholars, and guests from more than 20 provinces, cities, and autonomous regions at home and from Japan, the Soviet Union, Hungary, France, the United States, the United Kingdom, and Hong Kong.

At today's meeting, Hu Qiaomu, honorary president of the Chinese Academy of Social Sciences, said: Lu Xun converted himself from an early nationalist who opposed feudalism to a leftist writer and a communist by his own solemn decision. Yet, he did not confine himself to a simple, narrow, or mechanical understanding of Marxism and communism or of social history and culture. He resolutely opposed the views that Marxism, communism, huamnism, ;and democracy are mutually exclusive and that art and literature should be fused with political propaganda. He also opposed the practices of anyone who threatened, insulted, or acted arbitrarily against others under the name of class struggle. Hu Qiaomu noted: Lu Xun consistently held an analytical attitude toward foreign cultures. He expounded his "taking-inism" as "possession and selection," and "either utilization, storage, or destruction."

He held the same analytical attitude toward Chinese culture and never completely denied it. The principles on which he based his actions and how these principles can be applied today are subjects deserving of serious study.

Extolled as the "soul of the nation," Lu Xun contributed to China's social reform and new literature in various ways; however, his greatest exploit was the life-and-death struggle he made for the spiritual liberation of the Chinese people. The aforesaid point of view was depicted by Liu Zaifu, director of the Institute of Literature of the Chinese Academy of Social Sciences. [passage omitted]

Professor (Pollard) from Britain's London University spoke at the meeting on behalf of foreign scholars.

Reponsible persons of departments concerned and some noted scholars such as Qian Zhongshu, Wu Jiemin, Li Helin, Li Jiye, Feng Zhi, Tang Tao, Zhong Jingwen, Tang Dacheng, and Lin Lin attended the opening ceremony.

ZHANG JINGFU URGES EMULATION OF TAO XINGZHI

OW192346 Beijing XINHUA Domestic Service in Chinese 1630 GMT 18 Oct 86

[By reporters Shen Lizhu and Zhao Lanying]

[Excerpts] Shanghai, 18 Oct (XINHUA) -- Incorporating Tao Xingzhi's thinking into the current educational reform and carrying forward his dedicated spirit that "I have come with a devoted heart and will leave without taking a single blade of grass" is one of the hot topics picked up by educational workers in various localities who are presently studying Tao Xingzhi's thinking about the development of education. [passage omitted]

Speaking at the first meeting of the Board of Directors of the China Society for the Study of Tao Xingzhi and at the first session of the members of the Tao Xingzhi Foundation, which were held jointly today, Honorary President of the Society and State Councillor Zhang Jingfu pointed out the following: Tao Xingzhi's thinking and character are still of practical importance to our country's ongoing drive to reform and to develop the people's education. We should emulate and carry forward his spirit of "putting the people in the first place and doing everything for the people" to develop the work of education. To popularize the 9-year compulsory education system, today we still require our college and secondary specialized school graduates in urban areas to go to the countryside, old revolutionary base areas, minority-inhabited areas, frontier areas, mountainous areas, and poverty-strickened areas to promote educational work. In developing education, we should emulate and carry forward the pioneering and creative spirit of daring to reform the old and initiate a new educational system on the basis of our national condition, as well as the spirit of working hard and relying on society's support to run schools, both advocated by Tao Xingzhi.

ZHAO ZIYANG INSPECTS ZHU JIANG DELTA AREA

HK210053 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 20 Oct 86

[Text] Premier Zhao Ziyang went to the Zhu Jiang Delta to conduct an investigation and do research from 15 October to 20 October and stressed the need to further implement the policy of opening up and carrying out the reform of the economic structure. Zhao also stressed that efforts should be made to run well the economically open zones and the special economic zones.

It was after cutting the ribbon at the opening ceremony of the 60th China Export Trade Fair that Premier Zhao went to the Zhu Jiang Delta. Zhao held a symposium attended by the responsible persons of five major enterprises in Guangzhou and got a clear picture of the reform of enterprises, the invigoration of enterprises, the development of export-oriented products, the development of export trade and so on. Premier Zhao also went to inspect the factories, rural areas, docks, harbors, town and township enterprises, tourist facilities, the specialized households in the rural areas and the urban construction in Foshan, Nanhai, Shunde, Zhongshan and some other cities and counties as well as the Zhuhai Special Economic Zone.

Premier Zhao said gladly that the Zhu Jiang Delta is the first to profit from the implementation of the policy of opening up and invigorating the domestic economy so that great changes have taken place in the area. One of the major topics of Zhao's investigation and research was to inspect the situation of the implementation of the trade, industrial and agricultural policies in the Zhu Jiang Delta. In November of 1984 when Zhao Ziyang was inspecting the Zhu Jiang Delta, Zhao once pointed out that Zhu Jiang Delta should readjust its trade, industrial and agricultural structures and implement the trade, industrial and agricultural policies.

This time, he went to Shunde, Nanhai and Zhongshan and found that the Zhu Jiang Delta had done a lot of basic work in this respect and achieved marked successes. The total industrial and agricultural output value of Shunde, Nanhai and Zhongshan had reached between 2.3 to 2.7 billion yuan. While affirming the achievements, Premier Zhao Ziyang put forward new requirements and stresses that the Zhu Jiang Delta should gradually turn its agriculture into an export-oriented agriculture and greatly develop the agriculture which can create foreign exchange. Zhao also said that the Zhu Jiang Delta should develop new products and improve the product variety and quality.

Zhao said efforts should also be made to improve the processing and packing of products so as to create more foreign exchange. While inspecting the factories and enterprises in the Zhuhai Special Economic Zone, Premier Zhao repeatedly stressed that the factories and enterprises in the special economic zone should implement advanced management methods and the practice of mechanically copying the old methods practiced in the hinterland should not be allowed. He said that all the enterprises in the special economic zones, be they joint ventures, cooperative enterprises, foreign-owned enterprises or China-owned enterprises, should be strictly managed according to advanced methods.

ANHUI MILITARY DISTRICT COMMANDER ON LONG MARCH

OW210139 Hefei Anhui Provincial Service in Mandarin 1100 GMT 19 Oct 86

[Recorded talk by Li Yuanxi, commander of the Anhui Provincial Military District, entitled "Carry Forward the Long March Spirit and Courageously Forge Ahead" -- in commemoration of the 50th anniversary of the victory of the Long March]

[Excerpts] Comrades: After completing the world-famous 25,000-li Long March, the Workers' and Peasant's Red Army's First, Second, and Fourth Front Armies successfully arrived in northern Shaanxi Province on 22 October 1936 to join forces with other units. Today we are commemorating the 50th anniversary of the victory of the Long March at a time when the people of the whole country are carrying out the guidelines of the 6th Plenary Session of the 12th CPC Central Committee. There is great immediate and historical significance in this. The Long March was a great achievement of the Chinese Communists. The victory of the Long March paved the way for the victory of resisting Japan and founding of New China. In commemorating the Long March today, we must carry forward the Long March spirit and successfully carry out the socialist modernization drive in a new long march. [passage omitted]

Today the party Central Committee has called on us to unite as one in carrying out the four modernizations drive. This means we have to carry forward the Long March tradition in the new situation. There is much work to be done in accomplishing the four modernizations drive; therefore, it can be accomplished only if we coordinate our work well. We must rally under the leadership of the CPC and strive to invigorate the Chinese nation. In building a spiritual civilization in the new situation, we must pay attention to strengthening unity within and outside the Army, that is, strengthening Army-government and Army-civilian unity.

Fifty years have passed since the great victory of the Long March. The victory of the Chinese revolution was won with hard fighting and the sacrifices of lives by our comrades in arms. Today, under the leadership of the party Central Committee, we should continue with our new long march, carry forward the Long March spirit and traditions in the new long march, and unite as one to build a socialism with distinct Chinese characteristics.

NANJING PLA VETERANS MARK LONG MARCH ANNIVERSARY

OW202339 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 19 Oct 86

[Text] A discussion meeting of old Red Army men in the PLA units stationed in Nanjing was held in Nanjing on the afternoon of 19 October. The meeting was organized by the Nanjing Military Region to mark the anniversary of the victory of the Long March. Half a century has elapsed, and today there are still some 600 old Red Army men serving in the Nanjing Military Region.

Leading cadres present at the meeting included Nie Fengzhi, Du Ping, and Xiao Wangdong, members of the Central Advisory Commission; Zhang Danan, member of the Central Discipline Inspection Commission; and responsible comrades of the Nanjing Military Region and its Air Force, Army Command College, and Naval Command College, Xiang Shouzhi, Fu Kuiqing, Liu Lunxian, Yu Yongbo, Chen Hui, Zheng Zhubo, (Yan Jun), (Tian Zhenhuan) and Li Gai.

Fu Kuiqing, political commisar of the Nanjing Military Region, presided over the discussion meeting.

Xiang Shouzhi, commander of the Nanjing Military Region who participated in the Long March, delivered an ebullient speech. He spoke highly of the contributions made by the Red Army fighters to the liberation of the Chinese people and to the motherland's modernization.

He said: In order to carry forward the Red Army's glorious traditions in the new period, we should first firmly uphold the party leadership. Second, we should thoroughly study the resolution of the 6th Plenary Session of the 12th CPC Central Committee and make great efforts to build a socialist spiritual civilization. Third, we should further strengthen the unity between new and old cadres, between the Army and the government, and between the Army and the people. Fourth, we should strive to step up the revolutionization, modernization, and regularization of the military region units.

Du Ping, Xiao Wangdong, (Nai Yu) and other Red Army veterans recalled with deep feeling the course of the struggle during the Long March, and happily discussed the great historical significance of the victory of the Long March. They said that they would devote their energies in their late years to passing the Red Army's fine traditions on to new generations.

JIANGSU'S HAN PEIXIN, GU XIULIAN PRESENT AWARDS

OW200626 Nanjing Provincial Service in Mandarin 2300 GMT 19 Oct 86

[Excerpts] On the afternoon of 19 October, the Jiangsu provincial government held a meeting to commend and award those distinguished in the literary and art fields in Jiangsu in 1986. [passage omitted]

Han Peixin, Gu Xiulian, Sun Jiaz-heng, Li Zhizhong, Yang Yongyi and other leading comrades of the provincial party coammittee, the provincial People's Congress Standing Committee, and the provincial government attended the commendation and award ceremony. Vice Governor Yang Yongyi read out the provincial people's government's citation. Comrades Han Peixin and Gu Xiulian issued citations and cash awards to individuals and collectives that won awards.

On behalf of the provincial party committee and the provincial government, Comrade Sun Jiazhang extended warm congratulations to the comrades who received awards and offered heartfelt thanks to them for their outstanding performance. He said: To encourage and develop all people's enthusiasm and creativity and to spur on the birth of more and more fine works, the provincial party committee and the provincial government commend and award those comrades who have made important contributions to the flourishing of Jiangsu's literature and art and who have won honors at national contests. He pointed out: In the future, we will formally establish a provincial-level literature and art award foundation and issue rules and regulations for it. [passage omitted]

JIANGXI ACTING GOVERNOR SPEAKS AT REFORM MEETING

OW180143 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 15 Oct 86

[Excerpts] According to a report by our correspondent Tang Haizhong, the provincial Department of Labor and Personnel sponsored a meeting in Fengcheng County from 6 to 12 October for directors of labor and personnel bureaus and managers of labor service companies throughout the province. The aim of the meeting was to study the four sets of regulations on reforming the labor system promoulgated by the State Council and the four detailed rules issued by our province for implementing these regulations. The meeting also discussed how to reform the labor system in our province properly and how to deal with the problems of labor recruitment left over from the time prior to the reform of the labor system.

Wu Guangzheng, deputy secretary of the provincial party committee and acting provincial governor, attended the session on the morning of 12 October and delivered a speech, setting forth three requirements on the reform of our province's labor system.

Acting Governor Wu said: In the first place, we should enhance the understanding of this question and strengthen leadership. We should understand that we are developing a planned commodity economy, and it is imperative to reform our labor system to fit this economy. We should rely on the reform of the labor system to further solve the problem of eating from the same big pot and the problem of the iron rice bowl. [passage omitted]

The second requirement set by Acting Governor Wu is to do everything possible to provide more job opportunities. He said: To provide more job opportunities is a very important aspect of reforming the labor system. We should increase the flow of commodities, develop transportation projects, and make all-out efforts to promote the tertiary industry and village and township enterprises. All these will provide more job opportunities for the surplus laborers resulting from the adjustment of the rural production structure and for the young people who are seeking employment. The leadership at all levels should leave no stone unturned to create more job opportunities while reforming the labor system. There is still a lot of work to do in this respect.

Elaborating on the last requirement, Acting Governor Wu said: The reform of the labor system is an important task concerning the implementation of the policy. Cadres at all levels are requested to rectify their work style and act impartially in accordance with the state policies and pertinent regulations. [passage omitted]

The comrades attending the meeting said that they would comply firmly with the guiding principle of resolute implementation, steady steps, and down-to-earth work in reforming the labor system as set forth by the provincial party committee and government. They pledged to heighten their understanding, work hard, and act impartially so that the work of reforming the labor system would proceed smoothly and develop healthily in our province.

JIANGXI MEETING MARKS LONG MARCH ANNIVERSARY

OW200219 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 18 Oct 86

[Report dated 18 October by station reporters He Jianli and Wu Di: "A Grand Meeting Held by Jiangxi Province and Nanchang City To Mark the 50th Anniversary of the Victory of the Red Army's Long March"]

[Excerpts] This morning the 1 August Auditorium in Nanchang was well decorated. In front of the rostrum were flowers and pine and cypress cuttings. Jubilant young pioneers, bouquets in hand, were waiting there because they were going to present bouquets and read a congratulatory message after the opening of the meeting. [passage omitted]

The meeting co-sponsored by Jiangxi Province and Nanchang City to commemorate the 50th anniversary of the victory of the Red Army's Long March was presided over by Wu Guanzheng, deputy secretary of the provincial party committee and acting provincial governor. Sitting in the seats of honor in the front row and the other seats on the rostrum were party, government, and army leaders of the province and the city, members of the Central Advisory Commission and responsible persons of the central departments concerned invited to this commemorative meeting, and veteran Red Army fighters and cadres in Nanchang.

Among them were Wan Shaofen, Wu Guanzheng, Liu Fangren, Xu Qin, Wang Zhaorong, Pei Dean, Wang Baotian, (Lu Xiuzhen), (Wang Taiha), Zhao Zengyi, Di Sheng, (Wang Linze), Liang Jianguo, Dong Chao, Zhu Zhihong, Wang Shufeng, Wang Zemin, Zheng Xiaoxian, Peng Shengxi, Liu Bin, Qian Jiaming, Wang Guande, Shen Shanwen, (Wei Changan), (Shen Zhongxiang), (Cheng Liujiu), (Liu Zhifu), Shen Hanqing, Li Shanyuan, Wu Yongle, Wu Tiyu, and Jin Lixiang. Also among them were members of the Central Advisory Commission and responsible comrades from central departments, namely, Kong Yuan, Shuai Mengqi, Liu Yin, and Dong Bian as well as CPC Central Committee member Zhao Zhijian and Central Discipline Inspection Commission member Wang Tei, who are currently in the province. [passage omitted]

Wan Shaofen, secretary of the provincial party committee, was the first speaker at the meeting. [Begin Wan Shaofen recording] Veteran Red Army fighters, veteran comrades, and other comrades: Today responsible party, government, and army comrades and representatives from various circles of Jiangxi Province and Nanchang City, totaling some 2,000, are gathering here with more than 200 veteran Red Army fighters for a ceremonious meeting to commemorate the 50th anniversary of the victory of the Long March of the Chinese Workers' and Peasants' Red Army. First of all, I wish to extend cordial regards and pay lofty respects to all the veteral Red Army fighters and cadres in the province on behalf of the Jiangxi Provincial CPC Committee and the Jiangxi provincial people's government. [applause] I mourn with sincerity the Red Army martyrs who gave their lives for the victory of the Long March and for China's national liberation and cherish deeply the memory of these comrades. I also extend regards and pay respects to the families of the martyrs and veteral Red Army fighters. [passage omitted] [end recording]

Comrade Wan Shaofen reviewed the hard course and great significance of the Red Army's Long March in her speech. She said: [Begin recording] The victory of the Long March was a victory of the CPC and the Chinese revolution, a victory of the correct Marxist line represented by Comrade Mao Zedong, and a victory of the firm revolutionary faith and the revolutionary optimism of the Red Army commanders and fighters. [passage omitted]

Now the people in the whole country, led by the CPC Central Committee, are making a new great long march. The 3d Plenary Session of the 11th CPC Central Committee established the political, ideological, and organizational lines on the basis of Marxism and made a strategic shift of the work focus of the party and state. The 12th CPC National Congress put forward the demand of building China into a highly civilized and democratic, modern and strong socialist country. Commemoration of the 50th anniversary of the victory of the Red Army's Long March at this time when we are making a new long march is of vital significance in learning from and carrying forward the Red Army's revolutionary spirit, pushing forward in an all-round way the socialist modernization program, and conducting ideological reform. [passage omitted]

To learn from and give publicity to the Red Army's revolutionary spirit, our province sponsored a special radio program, "The Road of the Red Army," which lasted 6 months from the fall of last year. We also started a hookup television program called "The Road of the Long March" and opened a special column in JIANGXI RIBAO in commemoration of the 50th anniversary of the victory of the Red Army's Long March. On the eve of the National Day and following the successful conclusion of the 6th Plenary Session of the 12th CPC Central Committee, the Jiangxi provincial party committee and the provincial government held a tea party at the Great Hall in the capital to mark the 50th anniversary of the victory of the Red Army's Long March and to show solicitude to those veteran Red Army fighters who are natives of Jiangxi as a way to convey the Jiangxi people's deep affectionate feeling toward the veteran Red Army fighters and comrades.

Attending the party were leading comrades, including Peng Zhen, Yang Shangkun, Yu Qiuli, Yang Dezhi, Chen Pixian, Deng Liqun, Hao Jianxiu, Bo Yibo, Kang Keqing, Xiao Ke, Wang Ping, Huang Zhen, Yang Chengwu, Wang Enmao, Hong Xuezhi, and He Changgong, as well as some 200 veteran Red Army fighters who are natives of Jiangxi and other veteran Red Army fighters who engaged in the fightings in Jiangxi. [passage omitted]

Now multifarious forms of activities are being carried out in various localities around the province to commemorate the occasion, show goodwill to veteran Red Army fighters and, at the same time, conduct a dynamic and concrete education in the revolutionary tradition with a view to carrying forward the Long March spirit building the two civilizations in our province. Let us unite as one under the leadership of the party Central Committee, develop revolutionary spirit and carry on the heroic cause of the Red Army's Long March, work hard for the prosperity of the motherland, the affluence of our people, and the vigorous development of Jiangxi Province, and strive to win a great victory for the new long march. [applause] [end recording] [passage omitted]

Also addressing the commemorative meeting were Wang Baotian, member of the Standing Committee of the provincial party committee and commander of the provincial Military District; and (Bai Jingjin), a shock fighter of the province in the new long march.

SHANGHAI SECRETARY AT OFFICE GROUNDBREAKING

OW202353 Shanghai City Service in Mandarin 0100 GMT 20 Oct 86

[Excerpts] Construction was officially started yesterday afternoon for the joint general office building of the (XINYING) WANBAO, a project that has drawn the attention of people in journalist circles at home and abroad, as well as the evening newspaper's readers. The (XINYING) WANBAO is a paper with a history of 40 years. Its current circulation has reached 1.53 million. [passage omitted]

Rui Xingwen, Xia Zhengnong and Chen Yi cut the ribbon at the groundbreaking ceremony. Also present at the ceremony were Zeng Qinghong, Ni Tianzeng, Ding Ximan and Sun Gang. Zhang Chaogou, director of the (XINYING) WANBAO, spoke at the ceremony.

SHANDONG HOLDS PARTY EXPERIENCE-EXCHANGE MEETING

SK210445 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Oct 86

[Text] On 20 October, the party committee of the provincial party committee organs held a meeting in Jinan to exchange experience in rectifying the party style of organs of the provincial party committee.

Comrades of the Enterprise Work Department of the provincial party committee, the provincial CYL Committee, the General Office of the provincial People's Congress, the provincial People's Court, and the provincial Scientific and Technological Association introduced, from different angles, their methods of work and their experiences in rectifying party style.

The meeting proposed that it is necessary to turn the organs of the provincial party committee into politically-advanced working organs with well-organized and capable personnel, strict discipline, and high working efficiency.

Gao Changli, member of the Standing Committee of the provincial party committee and secretary of the party committee of the provincial party committee organs, addressed the meeting. He called on all units to closely integrate the work of consolidating organs and rectifying party style with the study of the resolution of the 6th Plenary Session of the 12th CPC Central Committee, and with the building of organs and the party and the routine work, and grasp of work of overcoming bureaucratism, and improving working efficiency as the major points of work. He said: It is necessary to extensively conduct education on party spirit, party style, and party discipline, enhance their political awareness, improve the inner party political life, and strengthen the management and supervision over party members. In addition, continued efforts should be made to step up the handling of cases concerning law and discipline violations, and investigate and check malpractices. He expressed the hope that the broad masses of party members and cadres of the provincial party committee organs will make unremitting efforts, take the lead in fundamentally improving party style, and greet the convocation of the 13th CPC National Congress with concrete deeds.

ZHEIJANG'S XUE JU CUTS RIBBON FOR TRADE FAIR

OW200444 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 18 Oct 86

[Excerpts] This afternoon a festive atmosphere prevailed in front of the Zhejiang Exhibition Hall in Hangzhou, with firecrackers popping and colored streamers waving high in the air. The opening ceremony of the Hangzhou Commodity Trade Fair in the Shanghai Economic Zone was held here on a grand scale. The opening ceremony was presided over by (Zou Zhangzhi), director of the provincial Commerce Department. Xue Ju, governor of the Zhejiang; Zhou Guangchun, deputy director of the State Council's Shanghai Economic Zone Planning Office; and Song Keren, leading member of the Economic Zone Planning Office and former vice minister of the Ministry of Commerce, cut the ribbons for the trade fair.

Provincial Governor Xue Ju was deeply interested and detailed questions about the trade fair, how it was received, and other things. Hua Guoqing, head of the trade fair leading group and director of Shanghai Municipal No 1 Commerce Bureau, made the opening speech. [passage omitted]

This trade fair is jointly sponsored by the commerce departments and bureaus of the five provinces and one municipality of the Shanghai Economic Zone. The fair is based on the economic zone and is kept in view of the whole country. [passage omitted] Currently, more than 10,000 traders are attending the trade fair. Hangzhou City Mayor Zhong Boxi extended a warm welcome to all traders at the opening ceremony. [passage omitted]

WANG FANG AT ZHEJIANG UNIVERSITY ANNIVERSARY

OW200924 Hangzhou Zhejinang Provincial Service in Mandarin 1000 GMT 19 Oct 86

[Excerpt] A meeting to mark the first anniversary of the founding of the Zhejiang Shuren University was held in Hangzhou this morning. Attending the meeting were leading comrades Wang Fang, Tie Ying, Xue Ju, and Wang Jiayang and noted personages in the fields of education, science, and technology. (Zhou Chunhui), president of the Zhejiang Shuren University, delivered a report at the meeting on operation of the university since its founding a year ago. The Zhenjiang Shuren University was originally called the Zhejiang Social University. It is a full-time university sponsored by the provincial CPPCC Committee with the support of democratic parties. [passage omitted]

BEIJING PREPARES FOR VILLAGE-LEVEL RECTIFICATION

SK170916 Beijing BEIJING RIBAO in Chinese 8 Oct 86 p 1

[Text] Our municipality has selected and dispatched 7,000 liaison men to participate in party rectification work at the village level. At yesterday's mobilization meeting sponsored by the Organization Department and the Party Rectification Office under the municipal party committee and with the participation of liaison men from municipal level these organs, leading comrades of the municipal party committee urged these liaison men to fully play their role in the fields of assistance, supervision, inspection, and liaison so as to help village party branches successfully fulfill their tasks of party rectification.

Party rectification work at the village level is the last task of the party rectification drive in rural areas. Selecting and dispatching liaison men to participate in party rectification work in rural areas is not only an important measure for succeeding in party rectification work at the village level, but also an effective way to train cadres. At present, the municipality has more than 4,000 party branches at the village level and more than 100,000 party members. Of the selected 7,000 liaison men, 450 come from municipal level organs and the rest are selected from various suburban countries and districts. As of now, most of these liaison men have arrived in the townships and villages.

These liaison men will carry out their work under the leadership of township party committees and village party branches and their major tasks are as follows: Efforts should be made to investigate and analyze the organizational situation in village party branches and the ideological situation among party members. Based on this, they should specifically help village party branches study the issue of how to implement work arrangements made by county and township party committees for the party rectification drive. In conducting education among party members, efforts should be made to help village party branches do a good job in organizing party members to study documents and hold discussions. Efforts should be made to help village party branches deeply conduct ideological and educational work. Efforts should be made to extensively hear opinions raised by the masses inside or outside the party so as to relay them to village party branches in a timely manner. Efforts should be made to help village party branches sum up the experience gained in the drive and typical cases emerging in the drive. Efforts should be made to show concern for production and construction in rural areas.

BEIJING ISSUES MEASURES FOR IDEOLOGY, CULTURE

OW201906 Beijing, XINHUA in English 1612 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- Beijing should be a model in China's goal to build a socialist society with advanced ideology and culture, according to local authorities today.

The statement is from the "Measures To Strengthen Socialist Culture and Ideology During the Seventh Five-Year Period" adopted by the Beijing Municipal Communist Party Committee and government. The measures are in line with a resolution on building a socialist society with advanced culture and ideology adopted last month at the Sixth Plenary Session of the Chinese Communist Party Central Committee.

The Beijing document places importance on the building of socialist morals and work ethic, the creation of new relations among people, the promotion of education and science and the improvement of social service and environment.

In the service industry, the document states, a sense of high responsibility should be cultivated, so that "service workers represent Beijing to domestic travellers, and are a good symbol of China to foreign customers."

Better vocational education is needed to raise their work quality, the document said, adding that the principle of "being trained before employment" must be strictly implemented.

According to the document, the Beijing authorities will continue to use the city's historical relics to educate children and young people with patriotism, revolutionary traditions and ideals — to cultivate socialist morals from childhood.

Outstanding historical figures from Beijing who had contributed to China's progress and liberation will be written into textbooks for primary and middle school students.

The national-flag-raising ceremony and the singing of the national anthem will be renewed among primary and middle school students to foster them with patriotism, according to the document.

Education reforms will stress the addition of new knowledge. Enterprises will be gradually opened to school children so they can acquire practical knowledge through work experience.

Also, the Beijing Television Station will open a special channel for educational programming, the document said,

During the Seventh Five-Year Plan period, the municipal and district governments will continue implementing the nine-year compulsary education policy by investing an additional 130 million yuan for the construction of school buildings.

According to the plan, Beijing will try to have ten college graduates per 100 residents by 2000, against the present four.

In addition to basic education improvements, new computer and biological engineering technology will be included, the document said.

City authorities have decided to popularize basic legal knowledge among the more than nine million city residents during the coming four years, the doucment said.

On civic matters, the document said the city government will reward those who have given for public welfare. Proper order in cinemas and stadiums should be observed, and more efforts should be made to help the elderly and disabled, the document said.

Convalescent centers and other facilities for the handicapped and the elderly will be built during the next five years, and special attention will be paid to treating congenital mental diseases in remote areas.

Also, more parenting schools, nurseries and kindergartens will be set up to improve the education of one-child families, the document said.

HEILONGJIANG SECRETARY SPEAKS ON GOODS CIRCULATION

SK170943 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 15 Oct 86

[Text] The provincial party committee and the provincial people's government recently held a forum on commodity circulation at which the participants held warm discussions on how to support the drive to conduct reforms and to further enliven the flow of goods between urban and rural areas throughout the province.

Based on hearing opinions raised by various circles, the leading comrades of the provincial party committee and the provincial people's government conducted specialized discussions at the forum and worked out measures to handle the questions with a unanimous opinion.

In concluding the forum, Sun Weiben, secretary of the provincial party committee, and Hou Jie, governor of the province, delivered summations. Comrades Sun Weiben also gave a speech on again paying attention to the status and role of commodity circulation in the economy.

In his speech, Sun Weiben stated: Commodity circulation has become the confluence of economic structural reforms conducted by both urban and rural areas. Some current contradictions which crop up in conducting reforms in economic systems in both urban and rural areas are chiefly in the sphere of commodity circulation. Whether we are able to adequately deal with problems in commodity circulation has a direct bearing on deepening the drive to conduct reforms in economic systems in both urban and rural areas. We should renew our ideas and continue to do a good job in conducting reforms in commodity circulation.

First, efforts should be made to further overcome the idea of conducting unified purchases and sales and to foster or enhance the concept of relying on markets. We must note that market systems have not taken shape during the course of replacing the old systems with the new and that many productive units have fallen short of the ability of market calculation and of meeting an emergency of markets. Therefore, the state cannot help but to adopt adequate regulating measures to support production. In purchasing major products related to the national economy and the people's livelihood, we have not been able to totally eliminate the necessary administrative measures. However, along with the deepening of reforms, the proportion of regulating markets will gradually increase and that of contract systems both in purchases and sales will gradually decrease. Therefore, departments in charge of both production and commodity circulation must enhance their sense of markets and must be good at using the market mechanisms to direct the thousands upon thousands of producers and regulating the circulation of commodities.

Second, efforts should be made to overcome the outdated idea of stressing the ownership of the departments and the monopoly of business and to foster the idea of carrying out socialist competition. Commodity circulation in the past was closed in style, owned by the departments, and monopolized by certain enterprises, thus the work style of bureaucratic business was serious. At present, though such a phenomenon has been greatly changed, the outdated ideas and concepts still exert their influence. Enterprises that have monopolized their product for many years are always afraid of other units turning out the same product and scrambling for their brisk business. In particular, they still frown upon the operation in which industrial enterprises conduct the self-sale of products. Peasants have participated in commodity circulation and the coordinative systems of production, processing, and sales have been set up among the agricultural, industrial, and commercial circles. In fact, they are afraid of being involved in competition.

The speeches made at the forum by units which include the provincial commerce department and the supply and marketing cooperatives have revealed that they welcome anyone and any unit to participate in the competition and welcome all peasants to join commodity circulation. Such an attitude adopted by them is positive and correct. Efforts should be made to foster the strong sense of competition and to seek survival and development along with competition.

Third, efforts should be made to overcome the outdated idea of stressing solo ownership and to foster the pluralistic concept of economic structure.

Fourth, efforts should be made to overcome the narrow regionalism of only taking up labor work in farming and to foster the concept of adopting a well-rounded way to organize commodity circulation. Both urban and rural areas should open their gates, operate more and various markets, and vigorously develop lateral economic associations. They should also strengthen their sense of earning foreign exchange by exports and their concept of opening more markets at home and abroad to integrate production and the business of enterprises with the operation of international markets and to strive to enable these enterprises to sell their products in international markets.

In his speech, Sun Weiben stated: Success or failure in conducting reforms in commodity circulation depends on whether we are able to create favorable conditions for developing social productive forces to continously meet the increasing need of the people's livelihood.

Sun Weiben stresses: Efforts should be made to strengthen leadership over the work of vitalizing commodity circulation. Localities and departments, bearing in mind their actual situation, must earnestly implement the decisions and resolutions adopted by the provincial party committee and the provincial people's government.

HEILONGJIANG, STATE ALLOCATE FUNDS FOR GRAIN BASES

SK200543 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 19 Oct 86

[Text] During the Seventh 5-Year Plan, the state and local governments will invest 975 million yuan in building grain-producing bases in 29 counties and cities in the province and in building soybean export bases in 24 cities and counties and 65 state farms.

The 29 cities and counties which the province has designated as the bases for developing grain production include Wuchang, Shuangcheng, Shangzhi, Yanshou, Fangzheng, Bayan, Tonghe, Zhaodong, Zhaozhou, Zhaoyuan, Qinggang, Mingshui, Lanxi, Anda, Hailun, Suihua, Longjiang, Nehe, Gannan, Fuyu, Tailai, Lindian, Dorbod Monggol Autonomous County, Ningan, Hailin, Muling, Boli, Tangyuan, and Jidong. The province's 24 cities and counties which have been designated for exporting soybeans are Fujin, Baiquan, Keshan, Binxian, Nenjiang, Kedong, Yilan, Jixian, Qingan, Huanan, Suiling, Dedu, Baoqing, Mishan, Huachuan, Beian, Yian, Linkou, Wangkui, Suibin, Tongjiang, Hulin, Mulan and Sunwu; the 65 state farms include (Baoquanming), Youyi and Keshan.

In order to do a good job in building grain-producing and soybean-exporting base cities and counties, the state has decided that beginning this year, the state and local governments will allocate 55 million yuan annually for developing grain-producing bases, and 140 million yuan annually for building soybean-export bases.

During the Seventh 5-Year Plan, the state will allocate a total of 460 million yuan for the two abovementioned items in the province. Such funds will be used for building and repairing farmland water conservancy facilities, improving medium-and low yield farms, breeding and popularizing fine varieties for crops, popularizing advanced technology, and preventing and treating plant diseases and insects.

LIAONING HOLDS ECONOMIC STRUCTURAL REFORM MEETING

SK210448 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 20 Oct 86

[Text] Today at the Liaoning People's Theater, more than 2,400 cadres at or above the section level, who are participating in the meeting to discuss the principles and ideological guidelines for economic structural reform of the provincial-level organs, listened to reports on economic structural reform delivered by An Zhiwen, vice minister of the State Commission for Economic Structural Reform, and by Feng Yuzhong, president of Liaoning University.

The convocation of this meeting by the provincial party committee and the provincial government is an important measure for helping the provincial-level organs to renew their concepts, change their workstyle, reform work systems and management structures, raise work efficiency, and improve service levels. To furthr exploit the superiority of Liaoning, accelerate the revitalization of Liaoning, and promote the penetrating development of urban and rural economic structural reform, the provincial party committee has decided to adopt a series of measures to enhance the consciousness of cadres in carrying out reforms and to raise the level of leadership over the development of the commodity economy.

This September, the provincial party committee held a meeting of secretaries of various county party committees to study how the rural areas should perfect the first step of reform, deepen the second step of reform, further stabilize grain production, develop a multilayered economic structure, perfect the rural contracted responsibility system, vigorously develop town and township industries, promote the division of work between different trades, and promote the large-scale development, commercialization, specialization, and socialization of the rural economy.

The on-going meeting on discussing the principles and ideological guidelines for economic structural reform aims at encouraging the provincial-level organs to renew their concepts and strengthen their determination in carry out reforms in the course of studying the documents of the 6th Plenary Session of the 12th CPC Central Committee. The provincial party committee and the provincial government also plan to convene a meeting to exchange experiences gained in urban economic strucutral reform, and to promote the progress of reform.

At today's meeting, Comrade An Zhiwen dwelt on the basic guiding ideology for reform in line with the current national situation of reform, on ways to fulfill the goals set for reform in the coming few years, on ways to further promote reform, and on ways to improve the environment for reform. Aiming at the developing of the commodity economy and changing of ideological concepts, Comrade Feng Yuzhong expounded on the issue that reform should be guided by theory, and theory should be proven by the practice of reform.

Li Changchun, acting provincial governor, and Sun Qi, deputy secretary of the provincial party committee, respectively presided over today's meeting.

Attending the meeting were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress, the provincial government, and the provincial CPPCC Committee; leading comrades of Shenyang City; cadres at or above the section level of various departments, commissions, offices, general offices, and bureaus at the provincial level; and responsible comrades of the economic structural reform offices of various cities. Guo Feng, member of the Central Advisory Commission, and Yang Kebing, member of the NPC Standing Committee, also attended the meeting.

LIAONING LEADER ON MEASURES FOR FOREIGN INVESTORS

OW171901 Beijing XINHUA in English 1550 GMT 7 Oct 86

[Text] Shenyang, October 17 (XINHUA) -- Foreign investors in northest China's Liaoning Province will enjoy lower taxes, reduced land fees and less red tape, said Acting Governor Li Changchun today.

This was part of the 14 new measures announced by Li at a news briefing this afternoon in Shenyang, capital of the province.

Liaoning is one of the few provinces to provide more flexible treatment for foreign businessmen, following the provisions of the country's State Council for the encouragement of foreign investment promulgated October 11.

The new rules stipulate that Sino-foreign enterprises with a ten-year period contract shall be exempt from enterprise income tax for the first five years and may extend for three years the payment of enterprise income tax at a rate reduced by one half if the foreign investment amounts to 30 million U.S. dollars and their technology is really advanced and the products are for export.

"Foreign investors with difficulties in the balance of foreign exchange payments may get help from local governments, which is unprecedented in the province," said Governor Li.

Enterprises with foreign investment will enjoy priority in the supply of steel, cement, timber, oil, gas, water and nonferrous metals, and goods in short supply in China.

Li admited that the past rigid management of joint ventures had caused difficulties for foreign investors and there had been much complaints by them.

Liaoning is one of the country's key regions for technical innovation during the 1986-90 period. According to Li, the province will spend 1.5 billion U.S. dollars upgrading existing factories and technology, with the aim of making the standards of some products reach advanced international standards of the 1970s or early 1980s.

The province has set up 138 Sino-foreign joint ventures since 1979, with a total investment of 498 million U.S. dollars, with foreign direct investment accounting for 44 percent, according to the acting governor.

BOFT TOOL MAKERS PLAN U.S. TALKS STRATEGY

OW180345 Taipei CNA in English 0240 GMT 18 Oct 86

[Text] Taipei, Oct. 17 (CNA) -- The Board of Foreign Trade [BOFT] will invite domestic machine tool manufacturers to a meeting next week to work out the nation's strategy in the coming ROC [Republic of China] -USA machine tool talks, BOFT Director General Vincent C. Siew said Friday. The United States, citing national security reasons, has been asking the ROC, Japan, West Germany and Switzerland to set voluntary quotas on their exports of machine tools to U.S.

The ROC and the U.S. have held two rounds of negotiations on the issue but no agreement has been reached so far. The U.S. has recently suggested that the third round of the talks be held Oct. 28-29.

Siew said that the quality of U.S.-made machine tools is better and their prices are higher than those imported from the ROC, and therefore, the nation's exports to the U.S. will not harm the U.S. machine tool industry or cause a threat to its national security.

Siew said that the government will decide whether to accept the U.S. proposal to hold the third-round talks late this month after consultation with domestic makers.

FLEXIBLE RESPONSE PLANNED IN TOBACCO TALKS

OW160535 Taipei CNA in English 0323 GMT 16 Oct 86

[Text] Taipei, Oct. 15 (CNA) -- Economics Minister Li Ta-hai said Tuesday that the Republic of China [ROC] will adopt a flexible response to cope with the situation that could develop if the United States decided to initiate retaliatory trade measures against this country in accordance with Section 301 of its trade and customs law. The U.S. action would come out of frustration with unresolved issues of importation of American tobacco and alcoholic beverages.

In the talks, the ROC has insisted on the importance of it own safeguard the welfare of the whole nation whenever it proceeds with foreign negotiations.

But the minister said the nation also must consider its long-range benefit instead of the anticipated profits only, and he said domestic businessmen should remain calm because the talks have not yet concluded.

When asked about the ROC's response if the United States adopted the Section 301 retaliatory trade measures, Li said that the ROC Government would make every possible effort to urge the American people to prevent actual implementation of the measures.

HONG KONG

QUEEN ARRIVES IN HONG KONG FOR 2-DAY VISIT

HK210350 Hong Kong AFP in English 0301 GMT 21 Oct 86

[Text] Hong Kong, Oct 21 (AFP) -- Britain's Queen Elizabeth II started a two-day visit to Hong Kong Tuesday after a tour of China, which is to take back this British colony in 11 years. In a brief arrival speech in City Hall, the queen credited a cosmopolitan mix of Chinese and British influences for the success of Hong Kong's development since she last visited the colony in 1975.

"As you move towards a new phase of your development, our thoughts will always be with you," she added, in an apparent reference to Hong Kong's return to Chinese sovereignty in 1997.

A flotilla of Naval ships, fire boats and private yachts escorted the queen and her husband Prince Philip as they entered Hong Kong's bustling harbor under brilliant sunshine aboard their blue-hulled yacht Britannia. A 21-gun salute rang out from HMS Tamar, the Royal Navy station here, while Hong Kong's own Air Force of unarmed light aircraft and helicopters staged a fly-by.

The royal couple were welcome ashore by Governor Sir Edward Youde, other colonial officials, local NEW CHINA NEWS AGENCY director and Beijing's unofficial representative in Hong Kong Xu Jiatun, along with police and pipe bands and a snappy honor guard from the 6th Queen's Own Gurkha Rifles.

The queen and Prince Philip had left China from nearby Canton on Saturday aboard Britannia, which later dropped anchor off one of Hong Kong's outlying islands, affording the royal couple a two-day shipboard rest.

MACAO

3D ROUND OF PRC PORTUGAL MACAO TALKS OPEN

HK210311 Beijing XINHUA Hong Kong Service in Chinese 0225 GMT 21 Oct 86

[Text] Beijing, 21 Oct (XINHUA) -- The third round of Sino-Portuguese talks on the question of Macao started here today at the Diaoyutai Guest House.

Deputy Foreign Minister Zhou Nan, head of the Chinese delegation, and Ambassador Rui Medina, head of the Portuguese team, attended the talks.

(Walailiao), adviser to the Portuguese Government and Portuguese ambassador to China, was also present on the occasion.

The first and second rounds of talks were held in June and September respectively in Beijing.

The third round of talks will last 2 days.

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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Denies Exporting Coal to Israel

OW220912 Beijing XINHUA in English 0903 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) — China today denied a report that it will export raw coal to Israel.

"This report is groundless," a spokesman for the Chinese Foreign Ministry stated at a weekly press briefing here this afternoon.

U.S. Action Prompts Indignation

OW220950 Beijing XINHUA in English 0942 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) — China today accused the U.S. Congress of interfering in the internal affairs of China for listing Tibet as a separate country in a recent amendment.

A spokesman for the Chinese Foreign Ministry said at a weekly press briefing here this afternoon that the Senate and the House of Representatives of the U.S. Congress had gone so far as to disregard well-known facts and listed Tibet separately as a country when they passed recently the amendment to the U.S. Export-Import Bank Act of 1945.

"This consitutes a wanton interference in the internal affairs of China. We express our indignation at this," he said.

However, the spokesman said, China has taken note of the statement made by President Reagan in signing the amendment that the U.S. recognizes Tibet as part of the People's Republic of China.

"We hope that, in the future, there will be no recurrence of such incident of interfering in the internal affairs of China and hurting the feelings of the Chinese people," the spokesman added.

Sino-Portuguese Communique Read

OW221154 Beijing XINHUA Domestic Service in Chinese 0945 GMT 22 Oct 86

[Text] Beijing, 22 Oct (XINHUA) — A spokesman of the Ministry of Foreign Affairs read at a news briefing this afternoon a press communique released by the Chinese Government delegation and the Portuguese Government delegation on the third round of talks on settling the Macao question. The full text of the communique follows:

1. The government delegation of the People's Republic of China and the government delegation of the Portuguese Republic held their third round of talks on settling the Macao question in Beijing on 21 and 22 October 1986. The two sides continued in-depth discussions of the substantive agenda items in a friendly and harmonious atmosphere and reached broad agreement.

2. In order to provide detailed discussion and revision of all the draft agreements put forward during the talks between China and Portugal, the two sides decided to set up a working group under the two delegations. This group will start its work in Beijing in the near future.

3. The date for the next round of talks between the two government delegations will be agreed upon in due course in light of the working group's progress.

More on Macao Talks

HK221054 Hong Kong AFP in English 1038 GMT 22 Oct 86

[Excerpt] Beijing, Oct 22 (AFP) -- China and Portugal have reached broad agreement on the future of Macao and have set up a working group for detailed discussion of a draft agreement, a Chinese spokesman said Wednesday.

Foreign Ministry deputy spokesman Yu Zhizhong told reporters, at the close of the third two-day round of talks here, that the two countries had "reached broad agreement" and decided to set up a working group "for detailed discussions and revision of all the draft agreements put forward during the talks."

The working group would meet in Beijing in the near future and the date for a fourth round of talks would be set in light of its progress, Mr Yu said.

Analysts said that establishment of the working group signalled that major differences had been bridged, though tough negotiations could still lie ahead on some of the specifics in the final document.

Mr Yu, reading the text of a joint Sino-Portuguese statement, said the two sides had decided to set up the working group following "continued in-depth discussion of the substantive items on the agenda in a friendly and harmonious atmosphere."

Mr Yu declined comment on reports from Lisbon quoting Portuguese diplomatic sources as saying Monday that the two sides could announce an agreement on the handover of the tiny South China gambling enclave when China's Vice Foreign Minister Zhou Nan visited Portugal next month. [passage omitted]

No Comment on Taiwan Parties

HK221021 Hong Kong AFP in English 1006 GMT 22 Oct 86

[Text] Beijing, Oct 22 (AFP) -- China declined to comment Wednesday on moves in Taiwan to allow the establishment of new political parties, with an official spokesman saying simply that Beijing had "taken note" of the change.

Deputy Foreign Ministry spokesman Yu Zhizhong refused to be drawn in repeated questions about Taiwan's moves to lift the 35-year-old ban on the creation of political parties other than the ruling Kuomingtang.

"We have taken note of the news," he said at a weekly briefing, declining to give further comment.

Analysts said that Taiwan's planned lifting of martial law and the party-ban presented difficulties for the mainland, which is concerned that new groups could seek to establish an independent status for the island.

Development of new parties on Taiwan also invites unfavorable comparison with the mainland, where the Communist Party's monopoly on political power remains unquestioned despite talk about political reform, the analysts said.

UN ENVOY URGES SRV WITHDRAWAL FROM CAMBODIA

OW210244 Beijing XINHUA in English 0228 GMT 21 Oct 86

[Text] United Nations, October 20 (XINHUA) -- China today urged Vietnam to withdraw its trops from Kampuchea wihout intolerable demands.

"This is the only wise choice for the Vietnamese authorities," Li Luye, China's permanent reprsentative to the U.N., said at a General Assembly debate on Kampuchea.

Li quoted a two-thousand-year-old saying from Chinese military writer Sun Zi that warns of the depletion of a nation's resources caused by prolonged military adventures.

The ambassador pointed out that nothing, not even the support of a major power, could legitimize an illegal act like Vietnamese aggression against Kampuchea.

He said that without the backing of "one big power", Vietnam would not have been able to sustain its aggressive war against Kampuchea. He urged the power, not mentioned by name, to stop its support.

Ambassador Li noted that Vietnam's goal is "the perpetual occupation of Kampuchea through a military solution."

He spoke highly of the eight-point proposal for a political settlement of the Kampuchean question, which was put forward last March by the Coalition Government of Democratic Kampuchea (CGDK).

Ambassador Li condemned Vietnam for bluntly rejecting the proposal and making unjustifiable demands as the conditions for troop withdrawal and negotiations.

He said troop withdrawal and the political future of Kampuchea were "two questions of different nature."

It will be absolutely unacceptable to base Vietnamese troop withdrawal on a decision as to which political faction should or should not be allowed to exist in Kampuchea, he said.

Ambassador Li declared China's support to the draft resolution on Kampuchea proposed by 60 countries, including the Southeast Asian members of the General Assembly.

The draft reaffirms the principles of complete withdrawal of foreign troops from Kampuchea and the exercise of self-determination by the Kampuchean people.

RENMIN RIBAO ON U.S. POST SUMMIT PROPAGANDA

HK211210 Beijing RENMIN RIBAO in Chinese 19 Oct 86 p 6

["Newsletter From America" by reporter Zhang Yunwen (1728 0336 2429): "From 'Deep Disappointment' to 'A New Starting Point' -- the U.S. 'Propaganda Campaign' After the Iceland Summit"]

[Text] Washington, 18 Oct -- After the "Iceland Summit," the United States is doing two things: One is to reassess the situation and launch a "propaganda campaign" to win over the media, and the other is to strive to gain at the Geneva disarmament meeting what it was about to obtain but failed to in Reykjavik.

Two days after the summit's conclusion, in a nationally televised address, President Ronald Reagan indicated that on no account would he trade away the "Strategic Defense Initiative (SDI)" program nor would he negotiate with his counterpart at the expense of U.S. "freedom and the future."

Reagan's important senior advisers also set out to win over the media one by one, despite each being terribly busy with his own work. In the last 2 or 3 days, the program of activities for George Shultz, President Reagan's main aide during the Iceland summit, was enough to show the intensity of the propaganda campaign: On 13 October he met Congressional leaders and briefed them on summit developments. On 14 October, he appeared on the CBS Morning News program; at noon, he dined with editors of THE WASHINGTON POST; and in the afternoon, he held a press conference at the State Department and afterwards had an interview with an American television station and an American cable television station. The following day, he went on a hurried trip to New York to meet editors of THE NEW YORK TIMES. What he discussed on the above-mentioned occasions was one and the same topic: the process of the Iceland summit.

It has been reported that all news agencies were offered an opportunity by senior government officials to gather news about the summit and moreover, they were allowed to name names in quoting official sources. The decision, it was said, was made by President Reagan after returning from Iceland. He asked all senior officials participating in summit activities "to explain the situation to all the people."

The media are of the opinion that there are three main reasons behind the "propaganda storm." The first reason is that the government was "displeased" with the earlier reports by the press community following the summit's close. News reports on the second day after the summit's close were flooded with such words as "failure," "breakdown," and "despair." At that time, Shultz and Donald Regan also said that the United States was "deeply disappointed." An expression was thus created: Reagan's adherence to "star wars" led to the failure of the summit. Now they are trying their best to stress the summit's positive aspects with an optimistic tune and they claim that the summit was "a watershed" in history and it had made "great progress." No agreement was reached at the summit merely because the Soviet Union wanted "to kill off the SDI program."

The second reason is that the Soviet Union has launched a considerably large-scale propaganda offensive. On 14 October Soviet leader Mikhail Gorbachev delivered a televised speech to the nation. The gist of the speech was that the Soviet Union had made major [zhong da 6850 1129] concessions but the United States came to the meeting "empty handed" and was reluctant to make any concessions in its SDI program and it thus lost "a historic chance."

In this propaganda war, winning the sympathy of West European countries has become the important objective of the two sides.

The third cause is, the result of the current summit held in haste has brought about criticism and controversies in media and political circles, and amongst disarmaments experts in particular. Some reviewers have found it difficult to understand the attempt by the two leaders to accomplish such a difficult task within such a short time span. Harold Brown, former secretary of defense also criticized the attempt by the U.S. Administration to "determine the new U.S.-Soviet strategic relations in 11 hours." The public believes that it was an unwise move to turn such an unofficial short meeting into "an extremely complicated guided missile figures game." Regarding the process of first proposing the cutback by 30 percent of strategic nuclear weapons, then developing to the proposal of a total destruction of nuclear weapons, and finally the counter-proposal, some disarmament experts compared it to a "card game." Many congressmen, who regarded the SDI program as stakes for the talks, criticized the Reagan administration for looking upon SDI as shaping up as a trump card, while a likely agreement on the cutback of nuclear weapons slipped away. Just as Senator Sam Nunn put it "They would rather have the bird in the bush than the bird in the hand." In his busy activities for the Republican Party in the Congress election lately, Reagan has made the SDI program the key topic, and censured Democratic senators for "axing" the program in question to cater to the needs of the Soviet Union.

While developing this propaganda campaign, senior Reagan administration officials have repeatedly said that they wanted to make the Iceland meeting "a new starting point,' and to reach an agreement at the Geneva disarmament talks negotiations table. Senior White House officials believe that the two parties are approaching each other in their positions on the issues of medium-range missiles in Europe and the restruction of nuclear weapon tests, and that they will soon reach an agreement. In his speech delivered at the National Press Club on 18 October, Shultz said the two superpowers "have a clearer understanding of the otehr's view and the crux of the SDI program," and "this is helpful to further talks."

The United States intended to reach a single agreement on disarmament. However, the Soviet Union made it clear that it had already made a series of important concessions, and insisted that its package proposal for disarmament must be handled as an entity. Therefore, the Soviet Union refused to solve the problem of medium-range missiles as a single issue.

At present, both parties have said that each of their proposals are on the table. They have made rather great progress at the Iceland summit; and they will continue "to make contact and to conduct discusson." However, while people are cherishing hope, they are worrying that it will be very difficult to score any major progress in certain disarmament issues if the two parties fail to come to terms on the "package proposal" and the explanation on the anti-missiles treaty.

LIAOWANG ON SOVIET-U.S. ICELAND SUMMIT MEETING

HK211050 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 42, 20 Oct 86 p 25

[Article by Wang Chongjie (3769 1504 0267): "The Soviet-U.S. Iceland Summit Meeting Ended in Failure"]

[Text] The meeting held between U.S. President Reagan and Soviet leader Gorbachev in Reykjavik, the capital of Iceland, between 11 and 12 October ended in failure.

Since the meeting, both sides have made accusations against the other. This points once again to the acuteness of the current confrontation between the two superpowers and the complexity of dialogue.

In a matter of two days, Gorbachev and Reagan successively held four rounds of talks totaling over 11 hours. The foreign ministers of the countries held several hours of separate talks. The top-ranking aides also formed two groups on the 11th to hold separate all-night meetings on the problem of arms expansion and on "human rights, regional conflicts and bilateral relations." But it turned out that not only was no agreement reached on arms control, regional conflicts and other issues but the date for the orginally scheduled second formal meeting between the leaders of the two countries during Gorbachev's U.S. visit later this year was not set.

At the current meeting, both sides reached agreement on the reduction of strategic arms and medium-range missiles. But the meeting ended in failure. Why was this so?

Gorbachev considers that "the U.S. Administration has energetically tried to capitalize on its own technological strength to gain military superiority through the Strategic Defense Initiative [SDI] program. It has not even hestitated to bury the agreement already reached between us. The U.S. side has upset all this." He said: The Soviet side suggested "strengthening" the anti-missile treaty signed between the Soviet Union and the United States in 1972. Both sides were not to back out of this treaty during the coming 10 years. In the course of these 10 years, "the research, manufacture and testing of space weapons would be prohibited, with research allowed only in laboratories." According to him, "when this point was taken up, the real fighting began. The President always insisted on the U.S. right to carry out all research and tests of SDI, not only in the laboratory but also in outside areas, including space." Gorbachev said that only "a madman" would agree to this.

Reagan stressed that if the agreement insisted upon by the Soviet Union was signed, "then succeeding presidents during the next 10 years would forfeit the right to research, manufacture, test and deploy defense forces against nuclear missiles for the people of the free world. This is what we cannot do and what we would not do." Reagan revealed that on the afternoon of the 12th he had put a brand new proposal to Gorbachev: "The deployment of SDI will be deferred 10 years on condition that our two countries totally eliminate all guided missiles in our respective arsenals. So long as both the United States and the Soviet Union can prove their sincerity by the elimination of nuclear missiles from year to year, we will not deploy SDI."

Shultz said: "With us coming increasingly close to the final stage, we can see with increasing clarity that the Soviet Union's actual aim is to strangle SDI."

The heated Soviet-U.S. fighting and confrontation centering on the SDI program are not accidental. Since the U.S. program was put forward in 1983, this has been the focus all along of the arms race between the United States and the Soviet Union. Mutual accusations between both sides about nuclear testing and the anti-missile treaty signed in 1972 are closely related to this. The confrontation between the leaders of the Soviet Union and the United States at the Reykjavik meeting over the "star wars" problem has led to the failure of negotiations. This is nothing but a prominent manifestation of the current sharp clash between the two superpowers. On other problems in the arms race involving strategic weapons, medium-range missiles, and so forth, both sides came closer in their stands but each had its own plans. As to the solution of such problems as regional conflicts, the improvement of bilateral relations, and so forth, these are also not easy matters.

The Gorbachev-Reagan summit in Geneva last November was the hallmark indicating the shift of Soviet-U.S. relations from an all-round confrontation in the first half of the 1980's toward confrontation and dialogue. While there has been no sign of relaxation in U.S.-Soviet confrontation over the past year, dialogue between the two sides never ceased. The preliminary meeting between Reagan and Gorbachev in Reykjavik took place precisely when their confrontation reached a stalemate, and no progress was made in their talks. At present, the focus of public attention is on: What will be the prospects for U.S.-Soviet relations in the near future?

On the one hand, Reagan has repeatedly stressed that the United States will not abandon its "SDI program." Gorbachev also reiterated in Reykjavik that "the Soviet Union will not be intimidated by SDI, even from a military point of view. Moreover, we have found a countermeasure against it." This shows that their arms race will continue to escalate.

On the other hand, both the United States and the Soviet Union have not shut the door on their talks and summit. Gorbachev proposed that the heads of the two countries should meet again to discuss how to remove existing obstacles. He also expected that his meeting with Reagan in Washington would be "fruitful." Gorbachev offered Reagan the proposal that the two sides negotiate on prohibition of nuclear testing immediately after the Reykjavik summit. Reagan said: "In Iceland, we made great strides in resolving most of our differences. We will continue the effort in the future."

By the large, confrontation and dialogue will continue to be the pattern of Soviet-U.S. relations in the near future. Although their confronation will not run out of control, it will also be difficult for their dialogue to bring about an "abrupt turn."

GU MU MEETS WORLD TOURISM ORGANIZATION DELEGATES

OW171932 Beijing XINHUA in English 1630 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- Chinese State Councillor Gu Mu today met Willibald Pahr, secretary-general of the World Tourism Organization (WTO), who is here to attend the workshop and the meeting of the WTO Regional Commission for East Asia and the Pacific, and other delegates to the workshop and the meeting.

China is hosting the workshop and meeting, the first of its kind to be held in China, here from October 13 to 18.

China has made some progress in tourism, Gu said, but there is still a long way to go compared with many other countries and in view of China's rich tourism resources.

He said China is willing to cooperate with all friendly countries in this field. Such cooperation, he said, includes training of personnel, investment in China and scientific and technological exchange.

Pahr expressed his admiration for China's achievements in tourism over recent years, saying that the WTO is willing to help China in this respect.

Among those present was Han Kehua, director general of the National Tourism Administration of China. The host administration later gave a banquet for the delegates.

XINHUA ANALYZES UPCOMING U.S. ELECTIONS

OW210906 Beijing XINHUA in English 0841 GMT 21 Oct 86

["News analysis: Senate Control at Stake in Forthcoming Elections -- by Bao Guangren" -- XINHUA headline]

[Text] Washington, October 20 (XINHUA) -- After a delay of two weeks, the 99th U.S. Congress adjourned Saturday night, but for most of the lawmakers, the mission ahead in the next two weeks would be more difficult - it will decide whether they can come back to Capitol Hill for the 100th Congress.

The November 4 election draws nearer when all the seats of the House of Representatives and 34 seats in the Senate will be up for grabs.

Since 1955, the Democratic Party has been controlling the House. In the 99th Congress, of all the 435 House seats, Democrats occupy 253. It is predicted that almost 90 percent of the house members could be re-elected. ABC News projected that Democrats could gain three to eight new seats in the House and that six is the most likely number the Democrats could win, while the Democrats themselves have put the number at 10 to 15. In any case, the House would be again dominated by the Democrats in the new Congress.

The hard-fought battle will be over the Senate, where the Democrats are struggling to overturn the Republican 53-to-47 majority. Of 34 senate seats up for grabs, Republicans now hold 22, a situation that is unfavorable for the Republicans.

The Democratic-controlled House is a headache for President Ronald Reagan. It criticized Reagan's policy toward Central America, attempted to ban nuclear and anti-satelite weapons testing, cut funds for his "star wars" program and force him to comply with the SALT II Treaty. It overrode Reagan's veto to impose economic sanctions in South Africa.

Although the Senate also joined the House in overriding his veto on sanctions against South Africa, the Senate usually is in tone with him.

If the Democrats get control of the Senate, it will mean "a bigger headache for the president, more fires to put out, less ability to counter whatever the Democratic House does to dominate the agenda," says one congressional scholar.

The U.S. President has been campaigning hard in the past weeks for the Republican candidates. "I can't have my hands tied by a totally hostile Congress," he said.

The danger is there and it looms larger as the election day draws near. Earlier projection here said it is possible to be an even battle -- 50 to 50. In that case, Vice-President George Bush will come to cast a decisive vote, which is still in favor of the Republicans.

But a recent survey by THE WASHINGTON POST and ABC News showed the Democrats have moved clearly within the range of retaking control of the senate.

The survey said the Democrats lead in five states that have Republican senators -- Florida, Idaho, Maryland, Nevada and North Dakota -- while Missouri is the only state where a Republican was leading in the race for a seat held by a retiring Democrat.

Among four states that were rated as "tossups," North Carolina, South Dakota and Washington have Republican incumbents and Colorado has a retiring Democratic senator.

According to the survey, if all the candidates who were in front held their leads and the four tossup races split evenly between the parties, the Democrats would make a net gain of five seats and achieve a 52-to-48 Senate majority in the 100th Congress.

Factors influencing voters are various. There is no nationwide election theme, and regional issues and personal characters of candidates are more important in appealing for votes. But the economic issue will be a major factor.

A recent poll showed that 29 percent of the voters are concerned about unemployment, 20 percent about federal budget deficit, 17 percent about inflation, 15 percent about interest rates, and 10 percent about foreign trade deficits.

But the trend of economy is not so good. The growth rate for the first half of the year was only 2.2 percent, lower than expected, and there is no sign of improvement in the third quarter.

The rate of unemployment increased a little bit in September, with 8.33 million people waiting for jobs. Deficit for the 1986 fiscal year is estimated at a record 230 billion dollars, an increase of 9 percent over last year, and trade deficit for this year is estimated at 180 billion dollars.

The Democrats are taking advantage of this and have stressed the theme of "getting the economy moving again, getting tough in the trade arena and saving the farmer."

Democrats could also make use of the agricultural crisis in the farm states. For five years running, the export of agricultural products has been on the decline, many farmers have to leave their land. The issue there is who is to blame, and certainly the Republicans are on the defense.

In the oil producing states, the high rate of unemployment caused by the drop of oil prices has also put the Republicans in a hard situation.

In states hit by the inflow of steel and textiles, how to protect their steel and textile production will be major issues.

A recent survey showed that 35 percent of the people think the U.S. economy is getting worse, while only 25 percent think it is getting better. Such a trend is favorable to the Democrats.

Observers here believe final results depend on the turnout on November 4, and something unexpected could happen in the last days which could affect voters.

LI PENG FETES COLUMBIA UNIVERSITY SCIENTIST

OW171851 Beijing XINHUA in English 1438 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) — Li Peng, Chinese vice-premier and minister in charge of the State Education Commission, and his wife met and gave a luncheon for T.D. Lee, professor at Columbia University, U.S.A., and director of the Beijing Institute of Modern Physics, and his wife here today.

TIAN JIYUN CONTINUES TOUR OF ASEAN COUNTRIES

Philippine Visit Successful

OW211132 Beijing XINHUA in English 1117 GMT 21 Oct 86

[Text] Manila, October 21 (XINHUA) -- Chinese Vice Premier Tian Jiyun said here today that his visit to the Philippines is completely successful and has helped enhance the Sino-Philippine friendship.

He made the statement in an interview with reporters from the local papers "MALAYA" and "CHRONICLE" before he left here for a visit to Thailand at the end of his tour of the Philippines.

Tian said that during his visit he had exchanged views with Philippine Government leaders on how to further expand the relations of cooperation between the two countries.

He said what made him particularly happy was that President Corazon Aquino has accepted the invitation from Chinese President Li Xiannian to visit China. Her expected visit will "push the Sino-Philippine friendship to a new high," he remarked.

Tian said, "We are very pleased to note that since coming into power, the new government headed by President Aquino has taken many effective measures to stabilize the situation in the country and to recover and develop the national economy. Many of the measures have already begun to yield results. We appreciate and support all the efforts made by the government in this field." The Chinese vice premier said China enjoys very good relations with the Association of Southeast Asian Nations (ASEAN), in particular the economic and trade relations.

"We are very glad to note that China and the ASEAN countries hold similar or identical views on major international issues, especially issues concerning peace and stability in Southeast Asia.

It is our hope that China can keep close contact and exchange views frequently with the ASEAN countries on major international issues," Tian stated.

Asked about China's position on superpower military bases in the ASEAN region, Tian said that it is up to the governments and people of the countries concerned to make judgement on this question.

So far as the U.S. military bases in the Philippines are concerned, this question should be solved through consultations between the governments of the Philippines and the U.S., he said.

"It is my belief," he added, "that the Philippine Government and people can make wise judgment and appropriate arrangements for dealing with this question."

Tian said China fully favors the concept of a demilitarized, nuclear-free, peace and neutral zone in the ASEAN region.

As for people of the ethnic Chinese community in the Philippines and other countries in Southeast Asia, Tian said they are familiar with the situation and conditions of the countries they reside as well as those of China, and thus are able to serve as a bridge to further expand economic relations and trade between China and these countries.

"China pursues a policy of treating foreign investments, either from ethnic Chinese groups or non-ethnic Chinese groups, equally without discrimination," he declared.

Asked to comment on the allegation that "China gives military support to the insurgents in the Philippines," the Chinese vice-premier termed it as "totally groundless."

Leaves for Thailand

OW211144 Beijing XINHUA in English 1129 GMT 21 Oct 86

[Text] Manila, October 21 (XINHUA) -- Chinese Vice Premier Tian Jiyun left here this afternoon for an official visit to Thailand, the fourth and last leg of his four-ASEAN-nation tour.

During his three-day visit here, Tian met with President Corazon Aquino, and had talks with Vice-President and Foreign Minister Salvador Laurel, Finance Minister Jaime V. Ongpin, and Trade and Industry Minister Jose S. Concepcion on regional and international questions of mutual concern, especially on ways to further expand economic relations and trade between the two countries. They held identical or similar views on many qustions discussed.

Tian's visit is very successful, Laurel remarked, when seeing Tian off at the Manila International Airport. "It has brought our two countries closer than ever. I hope this can go on more regularly, because the more frequent visits among the leaders of the two countries, the better," he added.

He stated he liked to visit China again as soon as time permits. "But I think President Corazon Aquino should go first, because I have been there. President Aquino has been invited by the Chinese president. She has accepted the invitation, and she said she will be happy to go," Laurel said.

Saying good-bye to the vice-president at the airport, Tian Jiyun said he enjoyed his visit here very much, and he was deeply impressed by the measures the Philippine Government has taken to stabilize the situation and recover the economy, and by the hard-working spirit of the Philippine people.

He said to Laurel, "It is my hope that there will be a united and stable government in the Philippines, so that it can concentrate on the recovery and development of national economy."

Laurel replied to Tian, "I fully agree with your opinion. I hope next year when President Aquino visits China, our country will be stable and full economic recovery can be commenced."

The Chinese vice-premier arrived in Manila on October 18 after touring Singapore and Malaysia.

Begins Thailand Visit

OW211326 Beijing XINHUA in English 1312 GMT 21 Oct 86

[Text] Bangkok, October 21 (XINHUA) -- Chinese Vice-Premier Tian Jiyn arrived here late this afternoon for a week-long visit to Thailand. He was met at the airport by Thai Deputy Prime Minister Phong Sarasin, Deputy Foreign Minister Praphat Limpraphan and others.

Observers here believed that his talks with Thai leaders will concentrate on economic matters between the two countries.

This is the last leg of Tian's four-country tour. He has already visited Singapore, Malaysia and the Philippines earlier this month. All the four are member states of the Association of the Southeast Asian Nations (ASEAN).

Well-informed sources here disclosed that Tian will hold discussions with senior Thai economic officials on the development of economic relations between the two countries including investment and joint ventures.

Regional and international issues may also be put on the agenda in consideration of the problems in the region, they said.

Tian will have a two-hour meeting with his Thai counterpart Phong Sarasin tomorrow morning.

It is still not known whether the Chinese vice-premier will meet Thai Prime Minister Prem Tinulanon because the latter is out of the country right now.

But he will be received by King Phumiphon Adunyadet later this week.

SRV STANCE ON CAMBODIAN ISSUE CRITICIZED

OW220041 Beijing in Vietnamese to Vietnam 1400 GMT 20 Oct 86

[Unattributed commentary: "Vietnam Challenges the International Community"]

[Text] From the Eighth Nonaligned Summit conference held in early September to the current 41st UN General Assembly session, many countries in the world have requested that Vietnam unconditionally withdraw all its troops from Cambodia and endorse the 8-point proposal of the Coalition Government of Democratic Kampuchea [CGDK].

In face of this firm request, the Vietnamese authorities' official propaganda and press organs continue to invoke all reasons available to obstinately cling to their position of not withdrawing their troops.

Vietnam's press organs, including NHAN DAN and, QUAN DOI NHAN DAN, have recently published articles repeatedly criticizing those countries that have urged Vietnam to unconditionally withdraw all its troops from Cambodia for nurturing some peculiar design and for failing to keep abreast of the times. Meanwhile, Vietnam has stressed the need to eliminate the Democratic Kampuchea [DK] faction in the CGDK as a precondition for the settlement of the Cambodian issue.

Speaking at the UN General Assembly on 6 October, Vo Dong Giang, a member of the Vietnamese Council of Ministers, demanded that the international community stop all aid to the CGDK, warning that its refusal to do so will impede the withdrawal of Vietnamese troops from Cambodia.

As reported, at the Eighth Nonaligned Summit Conference, the Vietnamese Government official criticized all those countries that urged Vietnam to reexamine the CGDK's 8-point proposal, for attempting to foment dispute.

He said arrogantly: Regardless of whether it is an 8-point, an 80-point or an 800-point proposal, it is unacceptable if the Pol Pot clique remains a part of it.

The Vietnamese authorities have resorted to the completely shaky logic of brute force to challenge the international community, forgetting that they have been brought before the bar and condemned by all.

As put forth by the UN Charter, in international relations it is impermissable to violate the territorial sovereignty or political independence of any UN member-country or any non-member country through measures of intimidation or force or through any other measure inconsistent with UN policy.

Modern international law also stipulated that in a war between two countries, any act of involvement: Arranging, preparing, launching, or waging a war of aggression or any act of sabotaging peace is regarded as a war crime.

The Vietnamese authorities have not only arranged, prepared, and launched an aggressive war against Cambodia, but have also been waging this war of almost 8 years now, bringing unprecedented disater to the Cambodian nation and seriously sabotaging peace and stability in Southeast Asia.

Regarding the Vietnamese authorities' criminal war, the international community has not requested an international tribunal to try them but has only urged them to unconditionally withdraw all their troops from Cambodia and to put an end to their invasion and occupation. This is a very lenient, rational, and sensible move.

Until last year's 40th UN General Assembly session, as many as 114 countries in the world endorsed the UN General Assembly's resolution urging Vietnam to unconditionally withdraw all its troops from Cambodia. As the invaders, the Vietnamese authorities must fully implement this resolution. They are not qualified to call for preconditions and have no right to use the elimination of a most powerful faction in the patriotic anti-Vietnam forces, which they call the Pol Pot clique, as a condition for their troop withdrawal. Moreover, they have no reason to demand that the international community stop all aid to the DK forces as a precondition of their troop withdrawal.

If this logic of brute force can stand, is it true that aggression is right and anti-aggression is a crime?

The international community has advised Vietnam to reexamine its attitude toward the CGDK's 8-point proposal. At present, some 50 to 60 countries in the world have publicly voiced their support of this proposal.

With their logic of brute force, the Vietnamese authorities have adopted a hostile attitude toward the international community's advice and continue to reject the CGDK's peaceful 8-point proposal. This proves that Vietnam has absolutely no intention of withdrawing its troops from Cambodia and settling the Cambodian issue by political means.

The Vietnamese authorities' arrogant attitude and stubborn stance have actually placed them in a position of opposition to almost all countries in the world.

Today, in the 1980's, Vietnam's attempt to use force to conquer a small country is entirely impossible. If Vietnam does not change its attitude, it will only be driven deeper into an already critical situation both at home and abroad.

XU XIN FETES VISITING FRENCH ARMY CHIEF OF STAFF

OW201854 Beijing XINHUA in English 1457 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) — General Maurice Schmitt, chief of staff of the French Army, and his party were honored at a banquet given by Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army, here this evening.

Xu said at the banquet that both China and France pursue independent foreign and defense policies and share the desire to develop their friendly relations.

He said that he is confident of furthering the fruitful cooperation between the two countries and armies.

Schmitt said the purpose of his current visit to China is to strengthen the already consolidated bilateral relations marked by sincerity, mutual trust and friendship.

He said both France and China love peace and know the necessity of possessing the means to make others respect peace. In that context, the modernization of armed forces has become a priority for the two countries.

This morning, Xu and Schmitt exchanged views on issues of common interest. In the afternoon, Schmitt and his party visited the National Defense University of the Chinese People's Liberation Army.

Visitor Meets Yang Dezhi

OW212200 Beijing XINHUA in English 1527 GMT 21 Oct 86

[Text] Beijing, October 21 (XINHUA) -- Yang Dezhi, chief of the general staff of the Chinese People's Liberation Army (PLA), met here today General Maurice Schmitt, chief of staff of the French Army.

Yang told the French guests that their visit to China indicated continued development of the friendly relations between the Chinese and French peoples and Armed Forces.

He wished to see increasing contacts and technical exchanges between the two Armed Forces.

Schmitt said: "This is also our hope. Our military academies and army units are open to our Chinese colleagues."

The French guests are scheduled to leave tomorrow on a tour of Shijiazhuang, Xian, Nanjing, Guilin and Guangzhou.

Yang asked the French guests to give their opinions during the visit.

Schmitt said he appreciated the bravery and military training of the PLA.

This morning, the French Army chief laid a wreath at the Monument to the People's Heroes, and visited an artillery unit.

FURTHER REPORTAGE ON HONECKER'S VISIT

More Talks With Hu Yaobang

LD221044 East Berlin ADN International Service in German 0142 GMT 22 Oct 86

[Text] Beijing, 22 Oct (ADN) -- Erich Honecker and Hu Yaobang, general secretaries of the SED Central Committee and the CPC, continued today the talks they began yesterday in Beijing. The talks, lasting several hours, which focused on questions of the international policy of the two parties and states and on the world situation, was again marked by great openness and cordiality.

Hu Yaobang, who was the first to speak in this round of talks, pointed out that since the 3d Plenary Session of the 11th CPC Central Committee in 1978 important transformations have taken place in his country's domestic and foreign policy. In foreign policy the struggle for peace is the central issue, which requires independent decisions in line with specific conditions. This is important both for the development of relations with all socialist countries and for relations with the capitalist states and countries of the Third World.

Hu Yaobang stressed his country's sincere desire to develop relations with all socialist states. It is gratifying that the GDR is engaged in great activity in this respect. His country respects the foreign policy developed by the other socialist states. China hopes very much that all socialist states will continue to progress and flourish from year to year, to the benefit of their peoples and the advancement of mankind.

In explaining China's policy toward the capitalist states Hu Yaobang stressed his country's desire to develop relations of peaceful coexistence and cooperation with them in economic, scientific-technical, cultural and other spheres. This is advantageous for construction in one's own country and for world peace. At the same time China will never ease its criticism regarding the activities of the major capitalist countries, which are damaging world peace and are violating the principles of equality and mutual benefit.

Hu Yaobang expressed his concern about the situation in Europe, which he described as the focus of conflicts. If one speaks about detente in the world, one has to strive primarily for detente in relations between East and West European states. He praised the active policy of dialogue pursued by the GDR toward the states in West Europe. Hu Yaobang gave a briefing on his trip to four European countries last June.

The CPC Central Committee general secretary also spoke in detail about his country's relations with countries in Asia, Africa and Latin America. It is state policy to decisively support the developing countries' struggle against imperialism and colonialism, for the prevention of their national interests, for the development of their national economies and for the defense of their national sovereignty.

Erich Honecker underscored the importance of the policy of peaceful coexistence for a peaceful life together and the future of the peoples. He expressed his full agreement with the remarks of the CPC Central Committee general secretary, stressing that the GDR sees the policy of peaceful coexistence as one of the most important elements of international politics.

With reference to his recent numerous meetings with statesmen from north, West and south Europe Erich Honecker said that it has been confirmed that peace in Europe can be safeguarded and that the European house can be constructed only by respecting the existing realities, on the basis of the principles of peaceful coexistence and thus in agreement with international law. That also applies to relations between the GDR and the FRG.

There was agreement on both sides about the continuing development of relations between the SED and the CPC. The International Relations Departments of the two parties' Central Committees were directed to work out the proposed measures in detail.

At the conclusion of the second round of talks Erich Honecker invited Hu Yaobang for an official visit to the GDR. This invitation was accepted with great pleasure.

'Text' of Li Xiannian Toast

LD220019 East Berlin ADN International Service in German 1423 GMT 21 Oct 86

[Text] Beijing, 21 Oct (ADN) — The text of the toast by PRC President Li Xiannian is as follows:

In the middle of the golden Beijing autumn, Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, accepted the invitation by General Secretary Hu Yaobang and myself to come to our country on an official friendship visit. We are extremely pleased about this.

Permit me, on behalf of the CPC Central Committee and the Chinese people, and also on behalf of General Secretary Hu Yaobang as well as in my own name, to welcome Comrade Erich Honecker and the other GDR comrades most sincerely and warmly.

You are the first high-ranking person from the GDR to pay an official visit to the PRC since the establishment of diplomatic relations bewteen our two countries in 1949. During your stay, we will conduct a broad and detailed exchange of views on questions of mutual interest. I am convinced that Comrade Honecker's visit will considerably deepen the mutual understanding and friendship between both states and peoples, introduce a new stage in bilateral relations of friendship and cooperation, and thus enter into the history of relations between our two states as an important event.

The PRC and the GDR were both founded in October, 1949. The Chinese people have always admired with friendly feelings the enormous achievements of the people of the GDR over the past 37 years, and especially since the eighth SED Congress, in socialist construction. The GDR has already become an economically developed socialist state. I would like to take this opportunity to warmly congratulate the people of the GDR on this.

After the founding of New China, there were many twists and turns on the path of socialist construction in our country, but considerable successes have also been achieved. Our party and government have conscientiously evaluated both positive and negative experiences and lessons from their activity. They have rallied all nationalities of the Chinese people around them in order to advance the various economic reforms in a planned and progressive manner, in town and country, and to prepare a political reform.

Our goal is to build up China into a flourishing and strong socialist state with a high-developed deomocracy and culture.

At the recently ended 6th Plenary Session of the 12th CPC Central Committee the important decision on the guiding principles of the development of socialist intellectual culture was made. This decision is of great and far-reaching importance for promoting the modernization process in our country, and for building socialism with Chinese characteristics.

The safeguarding of peace and economic development are the common wish of our two peoples. In both countries, socialism is being constructed. Our relations of friendship and cooperation, which are based on mutual respect, equal rights and mutual benefit, have experienced a great development. Both countries need a permanently peaceful environment and are making indefatigable efforts to attain it.

The GDR, and in particular Comrade Erich Honecker personally, has unceasingly striven for detente regarding the situation in Europe as well as striven for the preservation of world peace, and has made important contributions. We have a very high regard for this. China is pursuing an independent peace policy and is actively trying, on the basis of the five principles of peaceful coexistence to develop relations with all the world's states. China believes that international disputes should be settled by means of negotiations. It is against any form of aggression, expansion and the arms race, and supports the just cause of all the peoples of the world. We believe that by acting in this way we are being useful to peace and world stability. At present, the danger of war still exists, but the forces of peace have grown strongly.

We are firmly convinced that if all peace-loving states and peoples act, then world peace can certainly be preserved. And it is just this which is so close to the hearts of the peoples of the world.

'Text' of Honecker Toast

LD211814 East Berlin ADN International Service in German 1439 GMT 21 Oct 86

[Text] Beijing, 21 Oct (ADN) -- This is the text of the toast by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council:

I want to thank you once more very cordially for your invitation to visit your great and beautiful country, which is successfully constructing socialism. I accepted the invitation to visit socialist China, the home of thousands of years of culture and rich revolutionary traditions, with pleasure. Permit me to convey to you the feelings of friendship of the communists and all the people of the GDR.

We are very impressed with the exceedingly cordial reception which we were given from the first minutes of our stay on Chinese soil. We felt deep sympathy and friendship everywhere. It was a particular pleasure for me to see Comrade Hu Yaobang here in Beijing again, a good comrade-in-arms from the international youth movement in the 1950s. I consider that to be a firm bridge of traditional friendship and cooperation between our peoples and the great targets which we have jointly set ourselves in socialist construction.

I and my delegation look forward with great anticipation to our further talks. We are certain that this visit will contribute to comprehensively strengthening the friendly relations between our two states and peoples as well as to securing socialism and peace.

We are continuing the relations which are rich in tradition between the communists and the revolutionary workers' movement of our two countries, which was founded in joint struggle in the 1920s and 1930s by such revolutionary leaders as Ernst Thaelmann and Wilhelm Pieck, Zhou Enlai, and Zhu De, with our meetings in our country. May I be permitted here to recall the great solidarity movement of progressive forces in our country during the 1920s under the slogan "Hands Off China". It will always be a symbol of our joint struggle. Our parties and states developed wide cooperation after the founding of the GDR and the PRC. Many comrades from the GDR visited your country in the difficult early years and experienced the enthusiasm and confidence in victory of the Chinese people in the construction of a new social order, in the same way that we were able to welcome many comrades from your country in our country as well.

In our first talks today the struggle for safeguarding peace took up much of the time, which is not surprising in view of the complicated international situation. With satisfaction we were able to note that the GDR and the PRC consider the preservation of peace to be the fundamental requirement of our time. Our two states set themselves demanding targets. They are implementing a long-term modernization program for the whole country. We are in process of consistently continuing the course of unity of economic and social policy reaffirmed by the 11th SED Congress. These tasks can only be realized in peace. In the same way that the safeguarding of peace is indispensable for the construction of socialism, the construction of socialism is of decisive importance for the safeguarding of peace. this conviction is also demonstrated by the fact that leading representatives of your country has repeatedly emphasized, particularly in this "International Year of Peace" of the United Nations, that China needs peace, that the Chinese people love peace, that it is fundamental interest to them.

China's clear position against the militarization of space is an important position, aware of the responsibilities against a new dimension of the arms race which conjures up new incalculable dangers for mankind. The voting success at the United Nations for the joint resolution by the USSR, the PRC, and the nonaligned states against the militarization of space was an encouragement to peace forces throughout the world to increase the struggle against "star wars". The PRC reaffirmed at the 41st UN General Assembly its position against extending the arms race into space; for a complete ban and the total destruction of all nuclear, chemical, and biological weapons; as well as for a substantial reduction of conventional weapons, for dialogue and cooperation, and for the peaceful settlement of all conflicts and differences in the international arena. This point of view is also taken by the GDR. Thus, the PRC has put its significant weight into the balance for peace, disarmament, and security in the decisions which have to be taken by mankind today.

War is no longer a means of international politics iun the nuclear-space age. A nuclear inferno would be the self-destruction of mankind. What the world needs is the broadest international cooperation for arms limitation and disarmament, an equal measure of security for all peoples and states. It needs the dismantling of political confrontation and a turn to the joint management of the global problems which face it. Account must be taken of the fact that the states, with all their variety and differences, live on one and the same planet in close proximity and that tension and danger pass nobody. The course and result of the meeting between Mikhail Gorbachev and Ronald Reagan in the Icelandic capital, Reykjavik, underline the need for reason and realism to gain the upper hand in the end. We support the comprehensive measures which Gorbachev proposed in the interest of safeguarding peace.

In line with its deeply peaceful, humanist nature, socialism is doing its utmost to reduce the present dangers and tensions and to wholly eliminate them. This is shown by the well-known initiatives of the USSR, the proposals of the Warsaw Pact member-states, the efforts of all states in the world of socialism. As for the GDR, it puts special effort into making an effective contribution to a secure peace and good-neighborliness on the dividing line between the two social systems and the two great military blocs in the center of Europe. The struggle for peace and international security is a global concern which includes Asia as well. In accordance with the fundamental significance of this question, political prudence, stateman-like wisdom, and the desire to solve regional problems will thus in the long-term open up paths for placing, over and above that which divides people, peace and cooperation as a shared concern at the center of policies. We regard the efforts to promote a readiness for dialogue in Asia as suitable steps for improving the situation on that continent and at the same time as a weighty contribution to world peace.

The GDR will continue in future to support all initiatives by the socialist states of this continent which contribute to strengthening peace and socialism. In April this year the 11th SED Congress adopted its strategy for further shaping an advanced socialist society in the GDR. It was based on solid successes in the 1981-85 5-year plan.

The economic tasks were well fulfilled despite the tense international situation. The socialist planned economy, which links central management with local initiative, the modern structure of our industry in the form of combines with a high degree of self-responsibility on the basis of economic accountability, have demonstrated their efficiency and will continue to do so in the future.

At our party congress we opted to consistently continue the course of the unity of economic and social policy. It is, as we have stated, our main battleground. The intensification of production, the broad application of the most up-to-date science and technology and of high technologies are proving to be a guarantee for dynamic growth in performance. The welfare of people is at the heart of our activity. Our people's living standards have steadily risen. We are moving forward with great optimism in order to solve above all the housing question as a social problem by 1990. Our people responded to the decisions of the 11th SED Congress with new inititiaves and great labor output. According to all our experiences, the unity and cohesion of party, the close relationship of trust between the party and people are guarantees for the implementation of the planned goals, for progress into the bright socialist future.

We are following with great attention the efforts of the Chinese people in socialist construction under the leadership of its Communist Party. The successes are obvious. Huge changes are taking place in industry and agriculture, in science and technology. Although I have only been in your country for a few hours, I had an opportunity to see some of your great construction achievements for myself. The capital, Beijing, is a huge socialist construction site. Parts of the city which have evolved historically and parts which are being newly-built complement each other harmoniously. The new residential complexes show that the focus in the PRC too, is on steadily improving the people's living conditions.

Allow me at this point to warmly congratulate you on your successes in the building of socialism in the PRC. At the same time I wish you success in implementing the goals of the Seventh 5-Year Plan, which were adopted at the Fourth Session of the Sixth National People's Congress.

We are certain that the Chinese people will approach these great tasks with much vigor and creativity. Our two states may be geographically far apart, but we are linked by the socialist social order and our shared striving for peace. A marked revival in our relations has come about as a result of our mutual efforts. Thus, a gratifying improvement in the political, economic, and cultural spheres was noted in the 11th SED Congress.

The stengthening of socialism, the consolidation of peace, and the friendship between our people will always be the guiding principles of our actions. Special importance is attached to economic cooperation. The agreements concluded on econmic, trade, and scientific-technical relations and the forthcoming signing of the "Agreement for the Development of Long-term Economic and Scientific-Technical Cooperation Between the GDR and the PRC" provide a solid foundation for future development. I am firmly convinced that my visit to your country and my further talks will turn a new page in the chronicle of relations between the GDR and the PRC.

Lays Wreath at Monument

LD221014 East Berlin ADN International Service in German 0124 GMT 22 Oct 86

[Excerpts] Beijing, 22 Oct (ADN) -- On the 2d day of his visit to the PRC Erich Honecker, general secretary of the SED Central Committee and Chairman of the GDR State Council, paid tribute to heroes of the Chinese people at the memorial in Tiananmen Square in Beijing this morning. Erich Honecker laid a wreath bearing the inscription "Glory and Honor to the Heroes of the Chinese People."

Members of the three branches of the Chinese People's Liberation Army formed a guard of honor along the steps to the monument. They presented arms as the GDR head of state and the public figures accompanying him appeared before the obelisk. A band played an anthem devoted to the dead Chinese patriots. Soldiers carried the wreath with red and yellow carnations to the base of the memorial. Erich Honecker, accompanied by Qian Qichen, Chinese deputy minister of foreign affairs, maintained a moment's silence. [passage omitted]

After the commemoration Erich Honecker visited the memorial to the heroes of the people which was unveiled in 1958. [passage omitted]

Meets With Zhao Ziyang

LD221046 East Berlin ADN Internatinal Service in German 0754 GMT 22 Oct 86

[Text] Beijing, 22 Oct (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the SED State Council, this afternoon (local time) continued his talks with leading PRC politicians. In the National People's Congress Palace he met with Zhao Ziyang, member of the CPC Politburo Standing Committee and premier of the PRC State Council.

Visits Palace Museum

OW221101 Beijing XINHUA in English 1044 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) -- Top leader of the German Democratic Republic (GDR) Erich Honecker said here today that his country will increase its cultural exchanges with China.

During a visit to the well-known Palace Museum this afternoon in the company of Chinese Vice-Minister of Culture Liu Deyou, Honecker said that he had brought this issue to General Secretary Hu Yaobang during a meeting earlier today.

"I think we should further expand bilateral cultural exchanges on the basis of the guidelines of the agreements signed by the two countries," he added.

Honecker also hoped for close ties between the culture ministries of the two countries.

The top GDR leader showed great interests in the 560-year-old palace, praising its "high architectural art."

Honecker told the guide after the visit that he was very pleased to visit the world-known Palace Museum, a site of historical interest, which demonstrated the "super architectural techniques of the hardworking Chinese people."

Moreover, he said he was deeply impressed by the efforts made by the Chinese Government in protecting the treasures for the coming generations and wished China greater success in this regard.

LI PENG EXCHANGES VIEWS WITH GDR'S MITTAG

OW220346 Beijing XINHUA in English 0239 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) -- Chinese Vice-Premier Li Peng met Guenter Mittag, member of both the Political Bureau and the secretariat of the Central Committee of the Socialist Unity Party of Germany and vice-chairman of the State Council of the German Democratic Republic, here this morning.

They exchanged views on the expansion of bilateral economic relations.

PRC, GDR PARTY LIAISON CHIEFS HOLD TALKS

OW221113 Beijing XINHUA in English 1106 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) -- Zhu Liang and Guenter Sieber, heads of International Liaison Departments of the Chinese Communist Party and the German Socialist Unity Party, held talks here today.

They exchanged views on the present state of the international communist movement, and on ways to increase contacts exchange of experiences between the two parties. They reached agreement on the issues discussed, sources close to the talks said.

The talks between the two liaison officials today were held in accordance with an agreement reached between Hu Yaobang and Erich Honecker, general secretaries of the two parties. Honecker is now in Beijing on an official visit, the first one by a top leader of the German Democratic Republic to China.

WEN WEI PO ON 'NEW PERIOD' IN PRC-GDR RELATIONS

HK220408 Hong Kong WEN WEI PO in Chinese 22 Oct 86 p 2

[Editorial: "PRC-GDR Relations Enter a New Period"]

[Text] China grandly welcomes Erich Honecker, general secretary of the Socialist Unity Party of Germany and chairman of the Council of State, on his visit to China. CPC General Secretary Hu Yaobang and Chinese President Li Xiannian held friendly talks with him on separate occasions on the first day of his visit.

The talks involved political and economic issues and the interational situation. Both sides held identical views on the questions of safeguarding world peace and easing tension. They also discussed the question of restoring relations between the two parties. During the talks, Hu Yaobang pointed out: Honecker's visit to China indicates that the friendship between the two countries and two parties has entered a new period.

As is known to all, China and East Germany have had diplomatic relations for 37 years. For a considerable period, relations between China and East European countries and ruling parties were at a low ebb. The cause did not lie either on the Chinese or East European side but on the superpower that did not want East European countries to develop friendly relations with China. It would have been unimaginable for East European leaders to visit China during the Khrushchev and Brezhnev period.

However, the trends of the whole world have changed nonetheless. These trends have two characteristics: One is reform and the other's dialogue. The tide of reform has emerged among the socialist countries one after another. Even the traditional Soviet pattern has inevitably come under pressure. Dogmatism has received a strong blow. The time when "there is only one pattern and one center" has gone.

East European countries have turned their eyes to China. They are very much interested in China's reform and hope to exchange experience and to cooperate with each other. Polish leader Jaruzelski was the first to visit China. Later, Hungary, Czechoslovakia, and Bulgaria rushed to board the "Beijing train." East German party leader Honecker has even raised the question of developing relations with China to the high plane of safeguarding world peace.

The primary task of ruling parties in socialist countries is to develop the national economy and to improve the living standards of the people. The trends of reform have basically reflected this historical demand. However, in order to succeed in conducting reform and developing the economy, it is essential to have a peaceful international environment and to eliminate the hot spots of international tension. The parties of China and East European countries are therefore confronted with a common task. They should join hands in promoting East-West dialogue and detente and advocate the use of peaceful means and not armed clashes or arms races in resolving international differences and disputes. China is the first to reduce the size of its Armed Forces by 1 million. It has also put forward a positive proposal on global disarmament, called on the Soviet Union to remove the three major obstacles between China and the Soviet Union with concrete actions, and urged the United States and the Soviet Union to hold serious talks and to achieve nuclear arms reduction. East Germany has also made similar efforts to reduce tensions in Europe. Because of these common grounds, China and East Germany have a solid foundation to develop their bilateral relations and the relations between the two parties and two countries have the necessary conditions to enter a new period.

GDR'S NEUES DEUTSCHLAND PRAISES LU XUN

OW201116 Beijing XINHUA in English 0820 GMT 20 Oct 86

[Text] Berlin, October 19 (XINHUA) -- Democratic German poet E. Schellner wrote an article marking the 50th anniversary of the death of Chinese author Lu Xun in the October 19 edition of the "NEUES DEUTSCHLAND."

The article says the Lu Xun, an erudite forefather of Chinese modern realistic literature, made an outstanding contribution to the literary world by writing a great number of literary works. Schellner describes Lu Xun as a brave fighter against oppression and imperialism.

Schellner praises Lu Xun as a forerunner in friendship between China and Democratic German and as a friend in the literary sphere where a lot of his literary works, particularly the novel "The True Story of A Q," have been familiar to German writers.

Although half a century has passed sinced Lu Xun's death, the article says, Lu Xun's influence of his works is spreading.

LI XIANNIAN MEETS BULGARIA'S ANDREY LUKANOV

OW191440 Beijing XINHUA in English 1430 GMT 19 Oct 86

[Text] Shanghai, October 19 (XINHUA) -- Chinese President Li Xiannian met with Andrey Lukanov, first vice-chairman of the Council of Ministers of Bulgaria, and his party here today.

Li said both China and Bulgaria are building socialism, but each country should carry out socialist construction according to its own specific conditions.

"We have been building socialism for several decades. But a lot of issues still need to be explored. Our two countries can exchange experience in this respect," Li added.

Lukanov agreed with President Li's views, sayiung that in building socialism every country should work in a down-to-earth manner. Only thus can they find solutions to the problems that have surfaced.

Li and Lukanov exchanged views on issues of common concern during the meeting which proceeded in a cordial atmosphere.

Lukanov conveyed the best wishes to President Li and other Chinese leaders from T. Zhivkov, and wished the Chinese people still greater successes in socialist construction.

Li Xiannian said that Zhivkov is an old revolutionary in Eastern Europe. In the eyes of the Chinese Communist Party and people, Bulgaria is always linked with the glorious image of Dimitrov who was an outstanding communist revolutionary. Chinese revolutionaries had drawn wisdom and strength from his works.

The Chinese leader also congratulated the Bulgarian people on their achievements in socialist construction.

Lukanov and his party arrived in Shanghai from Tianjin by plane this afternoon. In the evening Jiang Zemin, mayor of Shanghai, gave a banquet in honor of the Bulgarian guests.

While in Tianjin, the Bulgarian guests visited the Tianjin transportation machinery plant, the Tianjin department store and an ancient cultural street.

LI PENG MEETS WITH MAYOR OF PRAGUE, PARTY

OW171853 Beijing XINHUA in English 1501 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- Chinese Vice-Premier Li Peng met here today with Frantisek Stafa, mayor of Prague, Czechoslovakia, his wife and their party.

Li said Beijing is a political, cultural and economic center and has made some progress in recent years. But, he added, compared with other capital cities in the world, Beijing still has a long way to go. He welcomed the visitors to raise their suggestions.

Stafa said that he was impressed by Beijing's construction achievements and the improved livelihood of its residents. He invited Beijing Mayor Chen Xitong to visit his city and Chen, who was present at the meeting, accepted the invitation.

Stafa arrived here October 14 as guest of the Beijing municipal government.

PRC, POLAND TO FURTHER COOPERATE IN SHIPBUILDING

OW190749 Beijing XINHUA in English 0707 GMT 19 Oct 86

[Text] Warsaw, October 19 (XINHUA) -- A Chinese shipbuilding industry delegation ended its 23-day visit to Poland on Saturday after reaching agreement with its host on a 1987 cooperation plan in the shipbuilding industry.

Under the plan, the two countries will cooperate in such areas as ship designing and ship hydromechanics.

China and Poland have increased their cooperation in the shipbuilding industry in the past few years.

Poland is a country with a developed shipbuilding industry. Last year, it built 55 ships with a total tonnage of 655,000, making it the fifth biggest ship-builder in the world.

'FULL TEXT' OF PRC CONDOLENCES TO MOZAMBIQUE

OW212345 Beijing XINHUA Domestic Service in Chinese 0735 GMT 21 Oct 86

[Text] Beijing, 21 Oct (XINHUA) -- Chinese party and state leaders Hu Yaobang, Li Xiannian, and Zhao Ziyang today sent a message to Mozambican leaders, expressing deep condolences over the death of President Machel in a plane crash. The full text of the condolence message reads:

Your Excellency, the respected Dos Santos, member of the Political Bureau of the Mozambique Liberation Front and secretary of the Permanent Commission of the Mozambique People's Assembly,

Your Excellency, the respected Machungo, prime minister of the People's Republic of Mozambique:

We are shocked to learn that His Excellency Samora Moises Machel, chairman of the Mozambique Liberation Front and president of the People's Republic of Mozambique, was killed in a plane crash. On behalf of the Chinese Communist Party, the Chinese Government and people, and in our own names, we wish to express our profound consolences to you and, through you, to the Mozambique Liberation Front, the government, and people; and our heartfelt sympathy for the family of President Machel.

As an outstanding leader of the Mozambican people, President Machel made great contributions in leading the Mozambican people in the struggle to gain and consolidate national independence; safeguard state sovereignty; develop national economy; and fight imperialism, colonialism, and South African apartheid. He also exerted persistent efforts to promote peace and cooperation in southern Africa and unity among the Third World nations. His death is a great loss for the Mozambican people and the Third World as well.

President Machel was a respected old friend of the Chinese people. He always attached great importance to friendship and cooperation between the people of the two countries and worked for improvements. The Chinese people feel great grief over his death.

We believe that under the leadership of the Mozambique Liberation Front and the Mozambican government, the Mozambican people will turn sorrow into strength and continue to strive for national unity; defend their state sovereighty and territorial integrity; develop their national economy; build their country; and safeguard African unity.

[Signed] Hu Yaobang, general secretary of the CPC Central Committee

Li Xiannian, president of the People's Republic of China

Zhao Ziyang, premier of the PRC State Council

[Dated] Beijing, 21 Oct 1986

MARSHAL YE JIANYING DIES 22 OCT IN BEIJING

OW220237 Beijing XINHUA Domestic Service in Chinese 0212 GMT 22 Oct 86

[Text] Beijing, 22 Oct (XINHUA) -- Marshal Ye Jianying, a long-tested communist fighter, great proletarian revolutionary and military strategist, and one of the founders of the Chinese PLA, died at 0116 [1716 GMT 21 Oct -- FBIS] this morning in Beijing, despite all medical treatment. He was 90.

An official obituary on the passing of Ye Jianying will be issued by the CPC Central Committee, the NPC Standing Committee, the State Council, and the Central Military Commission.

XINHUA Transmits Biography

OW220938 Beijing XINHUA in English 0906 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) -- Marshal Ye Jianying, who passed away early this morning, made magnificent contributions to the liberation and socialist cause of the Chinese people.

At the critical junctures of the Chinese Revolution, particularly in the struggles to smash Zhang Guotao's plot of splitting and harming the party Central Committee in 1935 and to smash the Jiang Qing counter-revolutionary clique in 1976, Ye Jianying made extraordinary contributions.

Ye Jianying was born on April 28, 1897 in Meixian County, Guangdong Province. During his early years, he followed Dr. Sun Yat-sen and threw himself into China's democratic revolution, participating in the preparations for the setting up of the Huangpu Military Academy and in the northern expedition (1926-27).

In September 1927, Ye Jianying joined the Communist Party secretly and in December led the Guangzhou Uprising, which is of great historic significance as it took place at a time when the Communist Party began to lead the revolutionary war independently.

In October 1934, Ye Jianying embarked on the famous Long March, and served as commander of the first column.

The enlarged meeting of the Political Bureau of the party Central Committee held in Zunyi, Guizhou Province, in January 1935 corrected the erroneous leadership of left dogmatism and established Mao Zedong's leadership in the party Central Committee and the Red Army. At this crucial juncture, Ye resolutely supported the decision of the Zunyi meeting.

In August 1935, the Political Bureau of the party Central Committee held a meeting in Maoergai and decided to divide the Red Army into left and right columns to cross the grasslands northward to southern Gansu. But Zhang Guotao who led the left column refused to go northward and insisted that the Central Red Army should go southward.

In early September, Ye got Zhang Guotao's secret telegraph message which attempted to harm the party Central Committee, and promptly sent it to Mao Zedong. The Central Committee decided to lead the First and Third Army Groups northward to escape from the danger.

In September 1936, he was sent to Xian to contact patriotic forces there. "Xian Incident" took place on December 12, as patriotic Generals Zhang Xueliang and Yang Hucheng arrested Chiang Kai-shek who was there to force them to fight the Red Army, demanding Chiang to resist Japan. Ye Jianying assisted Zhou Enlai, the representative of the party Central Committee, in implementing the party's correct policy of settling the incident peacefully and compelling Chiang Kai-shek to cease civil war. Thus the Kuomintang and Communist Party came to cooperate for the second time, this time in fighting the Japanese invasion.

The War of Resistance to Japan broke out in 1937. Ye became the Eighth Route Army's representative in Nanjing, actively working to expand the national united front against Japan in Kuomintang-controlled areas. Afterwards, he returned to Yanan to assist Chairman Mao Zedong and Commander-in-Chief Zhu De in directing the fighting against the Japanese invaders.

In January 1946, Ye Jianying, as representative of the Chinese Communist Party, flew to Beijing to set up an executive headquarters with the American representative for military mediation to carry out the truce order issued on January 10 in line with the truce agreement between the Communist Party and the Kuomintang.

Beijing was peacefully liberated in January 1949 and Ye became its mayor. He later took part in commanding the campaigns to liberate Guangzhou and Hainan Island.

After he was transferred to Beijing in October 1954, Ye Jianying served as vice-chairman of the Revolutionary Military Council of the Central People's Government and other important posts. He was made a marshal of the People's Republic of China in the following year, and took charge of the whole Army's military training.

During the ten-year turmoil of the "Cultural Revolution", Ye waged indomitable struggles against the Lin Biao and Jiang Qing counter-revolutionary cliques in various forms. He took a number of measures within his powers to uphold party leadership, stabilize the Army and protect veteran cadres. On many occasions, he reprimanded Jiang Qing, Chen Boda and Kang Sheng for disturbing the party, the factories and rural areas.

After Lin Biao's betrayal and death in September 1971, Ye took charge of the day-to-day operations of the Military Commission, playing an important role in stabilizing the situation in the whole country and the Army.

Between 1971 and 1973, he took part in the work of receiving Henry Kissinger, special adviser to the U.S. president on national security, U.S. President Richard Nixon, and Japanese Prime Minister Kakuei Tanaka.

After Mao Zedong died in September 1976, the Jiang Qing counter-revolutionary clique stepped up its conspiracy to seize the supreme leadership of the party and state. In October, Ye Jianying and other comrades on the Political Bureau took resolute measures to smash the clique. Ye played a pivotal role in this historic struggle.

From the end of 1976 to the first half of 1977, Ye Jianying insisted on inviting Deng Xiaoping, Chen Yun and other long-tested revolutionaries of the older generation to take charge of the leadership of the party and state and redressing all the wrongly and falsely charged cases.

In December 1978, Ye, together with Deng Xiaoping and other leaders of the party Central Committee, reestablished the Marxist ideological and political lines of the party, bringing about a historic change in the party's policy.

In January 1979, he, as chairman of National People's Congress Standing Committee, presided over a NPC Standing Committee meeting to adopt and issue a "message to compatriots in Taiwan", which states that the reunification of China now fits in with popular feeling and the general trend of development, calls for developing trade, making up for each other's need and creating economic interflow on both sides of the Taiwan Straits, and advocating shipping and postal services at an early date.

Ye issued on September 30, 1981 a famous statement on the policy concerning Taiwan's return to the motherland for the realization of China's peaceful reunification. He proposed that talks be held between the Communist Party and the Kuomintang on a reciprocal basis to bring about cooperation for the third time.

In 1983, on account of poor health, Ye Jianying requested not being nominated and elected a deputy to the Sixth National People's Congress. And two years later, he again requested that he would not assume the post of a Standing Committee member of the Political Bureau of the Communist Party Central Committee. Nevertheless, his monumental feats in the revolutionary struggles over the past half century earned him high prestige and respect among the Chinese people.

OFF-SHORE SONAR SYSTEM PASSES APPRAISAL

OW210628 Beijing Domestic Service in Mandarin 0200 GMT 21 Oct 86

[Text] The JIEFANGJUN BAO reported that China's first automatic off-shore depth-measuring system made by the Naval Oceanic Survey and Cartography Research Institute passed technical appraisal on 18 October in Tianjin. This automatic system will be of significance to the development of our country's ocean surveying work, the exploitation of marine resources, and the strengthening of maritime operations capacity.

YAO YILIN ON FINANCIAL, ECONOMIC DISCIPLINE

OW220003 Beijing Domestic Service in Mandarin 1200 GMT 20 Oct 86

[Text] The 1986 General finances, Taxation, and Commodity Prices Inspection Work Team, under the State Council, has been formed and is ready to visit the 28 provinces, autonomous regions, and municipalities and begin inspections. Meeting with all the team members of Zhongnanhai today, Vice Premier Yao Yilin pointed out: Since we are in the process of making reforms, opening our country to the outside world, and invigorating the economy, we must stress all the more financial and economic discipline, lest the national economy be affected.

Yao Yilin said: Last year the reason we enjoyed a surplus in the balance of revenue and expenditure, relatively stable market prices, and a rather harmonious economy was the numerous measures taken by the central authorities, one of which was the general inspection of finances, taxation, and commodity prices. Politically, the general inspection, conducted in coordination with the rectification of party sytle, exposed and dealt with many economic problems, and helped improve party style and the general mood of society.

Talking about why we have to repeat the inspection this year, Yao Yilin said: At present the reform of the economic structure is developing in depth, and we are in transition from the old structure to the new one. The legal system is not yet perfect, and the phenonmena of failing to comply with laws and regulations and of deliberately breaking the law are still rather commonplace. Also, last year's general inspection was not thoroughly executed. Therefore, the State Council has decided to continue the inspection this year.

Vice Premier Yao Yilin called on the team to pay special attention to maintaining policy. When handling problems, the team should try to seek truth from facts and act with proper leniency and strictness. They must not only rigorously enforce financial and economic regulations but also ensure the smooth progress of reform and economic development.

STATE TO LOOSEN CONTROLS OVER ENTERPRISES

HK211012 Beijing CHINA DAILY in English 21 Oct 86 p 2

[By staff reporter]

[Text] Loosening of the State's control over enterprises and the encouragement of free trade in raw materials will be high on China's economic structural reform agenda over the next five years, a top economic planner said yesterday.

By the year 1990, most State-owned enterprises will be asked to assume responsibility for their own gains and losses. Now, the State compensates for losses incurred by most State-owned enterprises.

And next year will see some major changes in government policy on raw material supply and pricing.

This was disclosed by Zhou Zhiyin, a member of the State Planning Commission, at the Sixth International Business Leaders' Symposium which opened in Beijing yesterday.

"Helping enterprises cultivate the capacity to develop on their own and to learn how to exercise self control is a major concern in our economic structural reform," Zhou said.

"By 1990, most State-owned enterprises will be asked to take responsibility for their gains and losses, and be encouraged at the same time to incorporate into various enterprise groups. The State will only exercise overall control," Zhou said.

On the supply and pricing of raw materials, Zhou said that the State will gradually allow more and more raw materials to be traded on the free markets, and prices will be allowed to fluctuate according to supply and demand.

"This is aimed at promoting a smoother flow of raw materials, so that the current situation of overstocking in one part of the country and lack of supply in another party can be improved," Zhou explained.

While reforming the existing economic structures, he said, China will launch a large number of new industrial projects over the next five years. The State has decided to invest about 1,300 billion yuan ($351 billion) installing fixed assets from 1986 to 1990, 70 percent more than over the previous five years.

The projects included building 16 power-generating stations — each with an installed generating capacity of more than 500,000 kilowatts — more than 500 coal mines each capable of producing more than 1 million tons of coal a year, and railways, ports, airports, and raw material production centres.

RENMIN RIBAO EXPLAINS OWNERSHIP SYSTEM REFORM

HK031145 Beijing RENMIN RIBAO in Chinese 26 Sep 86 p 5

[Article by Li Yiming (0632 0110 3117): "A Conception of Reform of the Ownership System in our Country"]

[Text] Correct Understanding of Reform of the Ownership System [subhead]

The key link in the reform of our country's economic structure is to invigorate enterprises. In order to invigorate enterprises, we must first answer such questions as interests, responsibilities, incentives and motive force. If we do not carry out reform of the ownership system, we will not be able to solve these problems. So, reform of the ownership system is the key to reform of the economic structure.

Reform of the ownership system involves breaking through the traditional system of ownership by the whole people, and turning the traditional public ownership system into a new-type public ownership system.

Over the past few years, the biggest enlightenment people have been given by rural economic reform is: The vitality of the peasants orginates from reform of the ownership system. That is, the transformation from "the three-level system of ownership of the means of production in the people's commune, with ownership by the production team as the basic form" into a system of contracted responsibilities on a household basis with payment linked to output, which is established on the basis of public ownership of land. The system of contracted responsibilities on a household basis with payment linked to output, is a new-type public ownership system which conforms with the development of productive forces and helps to invigorate the socialist commodity economy.

When carrying out reform of the ownership system in the cities, we should focus on establishing more and more stock and cooperative enterprises. People seldom doubt the public ownership system of cooperative enterprises. Howver, some people cannot understand the public ownership system of stock enterprises. I believe that stock enterprises established through reform of the ownership system are also a kind of new-type enterprise under the public ownership system. The stock enterprises embody the fundamental characteristic of a publicly owned economy, that is, the workers as a whole are the masters of the means of production. Furthermore, enterprises under the stock system have actually expanded the publicly owned economy instead of weakening it. This is because in actual economic life, the most important thing is not the amount of funds possessed but the amount of funds controlled by the publicly owned economy. The development of stock enterprises means a multiplication of the amount of funds controlled by the publicly owned economy.

Structures of the Ownership Stystem After Reform [subhead]

Reform of the ownership system should be carried out in different ways in different departments of an enterprise, enterprises with different natures and enterprises of different scale. Structures of the ownership system after reform may include:

1) State enterprises which do not practise a stock system. These enterprises inclued: Banks, railroads, telephones, post and telecommunications, and other large enterprises which are the economic lifelines of the country. These enterprises should be allowed to operate according to an enterprises method and reform of these enterprises should be focused on perfecting the administrative and responsibility systems. However, newly established specialized banks, railroad companies, electric power comapnies and telecommunication companies can still become stock companies.

2) Small enterprises in the original repair trade, service trade, catering trade and retail commerce should be changed from state enterprises into enterprises which are rented or contracted out, or even sold to collectives. In future, no more state-owned small enterprises will be established in these trades and departments.

3) The original state-owned small factories will gradually be turned into cooperative factories. That is, the staff and workers will work as member of the cooperative and the factories will operate in the form of a cooperative. In future, no more state-owned small factories will be set up.

4) The original large- and medium-sized state enterprises in the general trade should be gradually turned into stock enterprises under the limited responsibility system according to their actual conditions. In future, all the big and medium-sized enterprises to be established in these general trades should be stock enterprises. The shares of the newly established stock enterprises should be issued by such agents as specialized banks and investment and trust companies. The newly established stock enterprises should set up boards of directors according to the number of shares, separate the functions of government from those of the enterprise, operate independently, and assume full responsibility for their own profits and losses. The state investment will be in the form of shares or in the form of long-term loans with interest.

5) The original Sino-foreign joint ventures and newly established Sino-foreign joint ventures should all be stock enterprises under the limited responsibility system, which should set up boards of directors according to the number of shares. (The proportion of foreign capital can be decided upon according to specific situations).

Thus, after reform of the ownership system, there will not be many wholly state-owned enterprises in our country. However, state enterprises will continue to control the lifelines of our national economy. The large majority of enterprises in our country will stock enterprises and cooperative enterprises. The former will mainly be large- and medium-sized enterprises while the latter will be mainly small enterprises. The stock enterprises will distribute their profits according to the numbers of shares. The cooperative enterprises are like cooperatives and the staff and workers are like members of a cooperative. Cooperative enterprises operate in the same way a cooperative does. Some cooperative enterprises can also have the characteristics of a stock enterprise in that they not only accept the shares of their own staff and workers who are members of the cooperatives, but also the shares of other people who are not members of the cooperatives.

Besides, a certain number of individually owned enterprises will also exist in our economy. These individually owned enterprises will become a beneficial supplement to the socialist economy under the system of public ownership.

The above-mentioned ownership system structures will represent the basic ownership system situation in the cities. Together with the contracted responsibilities system on a household basis with payment linked to output, which is established on the basis of public ownership of the land in the rural areas, the cooperative ecnomic combines formed voluntarily between peasant households, town and township enterprises of a cooperative economic nature and so on, these ownership system structures will form the new ownership system of our country. This type of ownership system is bound to conform with the nature of our country's socialist ecnomy and the standard of our country's productive forces for a long time to come.

Government Controls Shares and Becomes the Director [subhead]

A socialist country's participation in stock enterprises is shown in the fact that the government controls the stock enterprises' shares. Theoretically, the number of shares controlled by the government should account for more than 51 percent of the total but actually, there is no need for the government to control such large proportion of shares because the shares should be distributed. Generally speaking, the government only needs to control one third, two fifths, or even less of the total number of shares.

Here, we should be aware that the government does not necessarily control the shares of all stock enterprises. This is because departments and enterprises differ greatly from one another. If some departments and enterprises play a relatively important part in the national economy, it is necessary for the government to control some of their shares. As for those relatively less important departments or enterprises, the government may or may not control their shares. So far, there is no fixed model, so there is no need for us to decide the proportion of shares the government should control.

If the government controls shares, the government will have relatively large decision-making powers in the board room. The decision-making power is exercised by the government director who represents the interests of the state shares. Because of certain proportion of the enterprise shares is in the hands of the government, the interests of the state shares, and the interests of the enterprise shares, can be combined together and thus the government director who represents the interests of the state shares also represent the interest of the enterprise under such circumstances.

When enterprises become stock enterprises, the functions of the government are then separated from those of the enterprises. As independent commodity producers, enterprises assume full responsibility for their own operation and for their own profits and losses. They must observe the law and discipline, and must pay taxes according to the law. The government will not directly interfere in the operation of the enterprises. The board of directors, which is set up according to the number of shares, will make decisions for the enterprise. The government can influence the decisions of the enterprise through its shares in the enterprise and through the government director on the enterprise's board of directors. After paying taxes, the enterprise will distribute some of its profits according to the number of shares. The profits received by the government shares will belong to the government.

After enterprises become stock enterprises, they will institute the factory director responsibility system under the leadership of the board of directors. Factory directors will be invited and employed by the enterprise's board of directors and a system under which a director is responsible for fulfilling set quotas during his term of office will be implemented. The factory director will have the right to direct the production and operation of the factory, and the right to use personnel within the factory. The board of directors will award, continue to employ, or dismiss the factory director according to the actual results of his work.

The Enterprise Controls the Shares and Becomes the Director [subhead]

Enterprises can use their retained profits to buy their own shares, or shares of other enterprises as an investment.

If an enterprise has government investment, its own investment, and investment from other enterprises, and the amout of investment by each side has reached such a figure that each side can have a director on the enterprise's board of directors, then the enterprise's board of directors will at least consist of the directors from the three sides, namely, the government director, its own enterprise director and the enterprise director from other enterprises. The decision-making power of the board of directors will be distributed according to the number of shares and the number of directors on each of the three sides.

Because stock enterprises in the socialist economy are a new type of enterprise under the public ownership system, enterprise directors elected according to the number of shares controlled by the enterprise, are also directors who represent the interests of the economy under public ownership. This means that if the government possesses only a very small percentage of an enterprise's shares, and hence does not have any power over the board of directors, or if the government does not possess any shares issued by the enterprise, and hence does not assign any directors, the interests of the economy under public ownership will still be served in policy and decision-making powers because the directors (including those assigned by the enterprise and by other shareholding enterprises) represent the public economic interest.

The directors of an enterprise, and directors sent by other enterprises, are elected by the enterprise's workers congress. These enterprise directors will represent the interests of their own enterprise wherever they go.

All Levels Control Shares and the Enterprise Consortium [subhead]

After implementing the share control system, a large enterprise with great financial strength (obviously a large enterprise whose shares are controlled by the government) will carry out transdepartmental and transregional production and operations and set up its own branch companies, sub-branch companies and affiliated small companies, by controlling shares at various levels. The parent company, branch companies and affiliated small compaines together form the socialist enterprise consortium (or enterprise consortium).

The core of the socialist enterprise consortium is a parent company which controls all the shares of the consortium, and is also responsible for policy making concerning the operation and management of the consortium. The branch companies and affiliated small companies are not only the branch and affiliated institutions but also economic entities which have their own independent economic behavior and assume full responsibility for their own profits and losses. [paragraph continues]

The parent company will exercise influence on them and implement its management policies in them by controlling the shares. This will help to avoid repeating the malady of the higher company administratively interfering in the lower companies. This is a company administrative structure combining both centralism and distribution of power, which is conducive to the rationalization of the economic behavior of enterprises and raising the enterprises' efficiency.

Because of market competition, some socialist enterprises will become vigorous while others will decline; some enterprise consortiums will expand while others will decline. These are normal phenomena. The development of a large enterprise or a large enterprise consortium depends on its own competitiveness, coordination between staff, workers, and the enterprise, correct development strategy for the enterprise and correct management ideology in the leadership of the enterprise. The implementation of the share system provides internal motive forces and external pressure to the enterprises. A poorly operated enterprise will face such a situation: All of its shareholders will sell their shares, and its competitors, who want to take over and reorganize it, will buy the shares and annex it so as to turn it into a branch or affiliated small company.

The Dual Economy Model [subhead]

Through reform of the ownership system, in future, as far as the ownership system is concerned, a dual economy model will appear in the country:

On the one hand, several hundred of the larger enterprises will form a system consisting of parent companies, branch companies and affiliated small companies, and form enterprise consortiums through controlling shares at various levels. These large enterprises will determine the orientation of the development of our country's industrialization and technological progress. They have their own scientific research contingents to carry out research on high technology and applied technology. They formulate their own long-term development strategy, push forward with the efficient disposition of production resources and accelerate the development of remote and underdeveloped areas by carrying out transdepartmental and transregional production and operation. They will also develop their business on the international market.

On the other hand, tens of thousands or even millions of small enterprises, including cooperative enterprises, individually owned enterprises and small enterprises under combined ownership, will form a closely linked cooperative network and compete among themselves. They will mainly solve such problems as the transfer of rural labor, the processing of farm and sideline products, the raising of the people's income standard in rural areas, the construction of small towns and townships, and provision of services for the livelihood of the people in the urban and rural areas, and so on. They will certainly play an important role in changing the face of our country's rural areas and of the small towns and townships of our country.

The two different aspects of the dual economy will coexist and supplement each other for a long time to come.

Position of Directors, Staff, and Workers Who Do Not Have a Sufficient Number of Shares in the Enterprise [subhead]

The directors of stock enterprises are elected according to the number of shares. The above-mentioned government directors and enterprise directors (including the enterprise's own directors and directors from other enterprises) all are directly linked to the number of shares they have and are called share-holding directors. The enterprises's staff and workers can buy shares and individuals in society can also buy shares. [paragraph continues]

As far as the present situation in our country is concerned, since all stock enterprises are large and medium-sized, the number of shares held by staff, workers, and individuals in society is far from sufficient to enable them to become share-holding directors.

Considering such a situation, we can install non-share-holding directors. The non-share-holding directors only account for a small proportion on the board of directors, but they can represent the interests of the shareholders among staff, workers, and individuals in society and help the board of directors listen and understand the views of the masses on formulating its policies. The non-share-holding directors generally include people from three sides: One is the representative of the staff and workers, who is elected by the trade unions; second is the representative of society, who is sent by the consumers, environmental protection, and social security groups, and so on; third is the representative of the experts who can be elected by the academic groups concerned with enterprise production management and technology. However, if the staff and workers have bought a lot of shares and the number reaches a certain level, then directors who are the staff and workers representatives can become share-holding directors. Under such circumstances, the directors who are staff and workers representatives are not necessarily non-share-holding directors.

In future, incomes of staff and workers who buy shares in stock enterprises will include salaries, bonuses and "profit sharing" (dividends and extra dividends). The interests of staff and workers will be represented by the enterprise director elected by the workers' congress, and the non-share-holding director elected by the workers' congress, and the non-share-holding director elected by the trade union, who will influence the decision-making and supervise the activities of the board of directors. Although the amount of money paid for shares by individual workers accounts for a small proportion of the total amount of shares in the enterprises, staff and workers' interests are thus linked with the interests of the enterprises. However, arousing the enthusiasm of staff and workers does not depend solely on the fact that staff and workers are small share holders in the enterprises. This is not only a limitation of stock enterprises but also a limitation of cooperative enterprises, because money paid for shares by individual workers and staff members accounts for only a small proportion in cooperative enterprises. What is important is that the implementation of the share system in enterprises will push large- and medium-sized enterprises into market competition, and make them assume full responsibility for their own profits and losses. The stock enterprises must establish their own prestige, win space for their own survival, readjust the enterprise behavior and arouse the enthusiasm of staff and workers from various aspects. The superior will survive while the inferior will be eliminated in the competition. Poorly operated enterprises will go bankrupt or be annexed. The annexation of enterprises is just a reorganization of the essential factors of production, which is unharmful to the socialist economy. This is because those which annex and those which are annexed are all new-type enterprises under public ownership.

Stock Enterprises Are Really a Voluntary Combination of Interests [subhead]

Stock enterprises are really a voluntary combination of interests. Enterprises issue shares and investors voluntarily buy the shares according to how much profit and risk their investment may bring about. This is true of both individual and enterprise shareholders. If individual workers and staff members are forced to buy shares, or shares are apportioned among individual workers and staff members, this will run contrary to the nature of stock enterprises. So, there should be no rush in implementing the stock system in enterprises. Only when we have made enough experiments, gained enough experience, and shown our results to other enterprises, can the stock system be gradually popularized and implemented.

Experiments should also be carried out on a voluntary basis. Once the leaders of the present enterprises realize the advantages of the stock system, and the staff and workers undertand the unity between the enterprise stock system and their own interests, they will be willing to carry out experiments in their enterprises. [paragraph continues]

Only under such circumstances can the stock system produce gratifying results and play its exemplary role. We can imagine that in the reform of our country's ownership system, at the very beginning there will only be a few enterprises willing to become experimental units in implementing the stock system, and they will be sparsely scattered in all the provinces and cities throughout the country. Later on, more and more enterprises will be attracted by the stock system and will want to implement it. As a result, the process of the implementing the stock system will naturally be accelerated. However, even at that time, the principle of voluntary participation should not be ignored. The result of artifically creating a "stock system craze" will only be to the contrary.

From this, we can see that implementation of the stock system in our country's enterprises will be a relatively long process. However, the general trend is still predictable: In general trades and professions, stock enterprises will certainly replace the present large- and medium-sized state enterprises just as in rural areas, the system of contracted responsibilities on a household basis with payment linked to outputs has replaced the original production brigade operation.

LESSONS DERIVED FROM JAPAN'S MEIJI REFORM

HK211123 Beijing RENMIN RIBAO in Chinese 6 Oct 86 p 5

[Article by Lu Wanhe (0712 8001 0735): "Enlightenment in Two Aspects From the Meiji Reform" -- capitalized passage published in boldface]

[Text] In the mid-19th century, Japan faced a severe national crisis as China did. However, only 15 years after the "founding of the state," the Meiji Reform was carried out in Japan, which succeeded in helping Japan rapidly overcome the national crisis. and in enabling it to contend for supremacy with other big powers. What enlightenment have they gained from it?

1. TALKING ABOUT "REPELLING THE BARBARIANS" ALONE WAS NOT ENOUGH, "REFORM" SHOULD BE CARRIED OUT TO MAKE THE COUNTRY PROSPEROUS AND POWERFUL. [subhead]

At that time, the nature of the national crisis of Japan was that of a contradiction between feudalism and capitalism. As far as the invaded Japan was concerned, only by swiftly becoming a capitalist nation, could it resist the invaders. Otherwise, it would inevitably be annexed. In other words, talking about "repelling the barbarians" alone was not enough. Even if the invaders could be repelled once or twice, it was impossible to curb the continuation of their aggression, let alone defeating them permanently. It was because aggression and expansion were the natural instincts of capital. Only by making itself powerful, could a country win its true independence. Of course, this did not mean that it was unnecessary to carry out the struggle of opposing aggression.

Persons of ideals and integrity in Japan gradually realized the truth through their practical struggle. What was commendable was that they were quick at understanding things, bringing about changes, and taking action. If the reform was delayed for 20 to 30 years, the fate of Japan would have been worse than China. [passage omitted]

2. THE DISSEMINATION OF THE WESTERN LEARNING WAS THE IDEOLOGICAL FOUNDATION OF THE "REFORM."

While making an analysis of the international conditions, people correctly pointed out many factors beneficial to Japan: 1) The national liberation movement in Asia effectively pinned down the western invaders, and supported the struggle of the Japanese people against Britain (1857), the Taiping Heavenly Kingdom Revolution in China (1850-1864), and so on. 2) The main target of the Western colonialists was China, and the Chinese people endured greater pressure, and suffered from substantial sacrifice. 3) The Crimean War, the north-south war, the Franco-Prussian War, and so on kept the Western powers too busy temporarily to attend to Japan in the East. 4) Japan's territory was narrow and small. Direct conflicts of interests among various Western powers might easily occur in Japan. They were heavily engaged in conflicts rather than collaborating with each other. However, these conditions were, at most, beneficial to "overthrowing the shogunate government." The Japanese had to rely on themselves to carry out their "reform."

While making an analysis of Japan's internal conditions, people naturally tend to place their emphasis on the economic set-ups and class relations of the country, the level of development of its capitalist factors in particular. A view was once prevalent that at the last stage of the shogunate government, the Japanese capitalist economy had already entered the "period of the true factories." However, research in recent years has indicated that at that time agriculture accounted for about 80 percent of Japan's total output value, and that the percentage of handicraft industry was not big. In addition, it was mainly composed of household handicraft industry controlled by wholesalers. Factories were established in a small number of towns and townships. Although commercial usurers' capital in Japan was big enough, as was the case in China, it had not been turned into modern capital. Privileged big businessmen and the rulers of the shogunate government relied on each other. It was only when the doom of the shogunate government was inevitable that some of these businessmen supported the drive to overthrow the government. "Noble-minded persons of the wilderness" [cao mang zhi shi 5430 5462 1807 1102] of "rich peasant and businessman" origins (new-emerging landlords and rich peasants who were concurrently industrialists and businessmen) played an important role in overthrowing the shogunate government. This was an important characteristic of Japan at that time. However, many of them advocated the "study of the national classics," the "teachings of Confucius," and "honoring heroes who repelled the barbarians." They did more in all these than promoting the "reform."

Peasant uprisings in conjunction with the upheavel of the townpeople was the basic force for attacking the rule of the shogunate government. However, the peasant class was not, after all, the representative of the new mode of production. The scale of peasants' uprisings in Japan was smaller than that of the Taiping Heavenly Kingdom Revolution.

The Meiji Reform was lead by a group of junior warriors who were enthusiastic in learning from the West. The forming of such a leading group was closely connected with the dissemination of the Western learning (modern European science). Such historical conditions did not occur in other Asian countries.

The year when the Western learning was spread to Japan (1549) was, more or less, the same as it was disseminated in China (1581). At that time, they were regarded as "culture of the southern barbarians." The spread of the learnings in Japan was suspended because of the implementation of the "closed-door policy" (1633). However, the spread of the Western learning in China continued to the reign of the Kangxu emperor (1662-1722). During a period of more than 100 years, a great number of advanced intellectuals who were good at both Chinese and Western learning came to the fore, whose representatives were Xu Guangqi, Li Zhizao, and others. [paragraph continues]

This showed that the Chinese people, the Chinese intellectuals in particular, never expelled foreign advanced culture, and that the "reaction capacity" of the Chinese nation to the foreign advanced culture was not weaker than the Japanese nation and other nations. [passage omitted]

The long-term spread of the Western learning was an ideological foundation of the Meiji Reform. This being the case, once the Opium War broke out, noble-minded persons in Japan ran around spreading the news, saying: "Don't think that there are many reefs and rocks at home. We should draw a lesson from China's mistakes," "don't say that success and failure belonged to the states of Qin and Yue alone, preparations must be made for a long time in case something unfortunate happens." There were more than 10 kinds of books which dealt with the issue of the war, which made a great impact on the government and the public. In 1851, a book edited by Wei Yuan, "HAIGUO TUZHI" (illustrations of a maritime state) was spread to Japan, and noble-minded persons in the country vied with one another to read, or block-print the book. By 1856, there were 22 kinds of block-printing editions of the book. The correct idea of "learning from the strong points of the barbarians to repress them" happened to coincide with that of the noble-minded persons in Japan. Many of them regarded it as their common idea. "People were inspired by it. This indirectly upheld the thinking of honoring those who repressed the barbarians and promoted reform." (remarks by Liang Qichao) In China, when the book "HAIGUO TUZI" was first published, its repercussions were not great. At that time, Wei Yuan himself was only a county magistrate. When the Taiping troops were closing in, he took up the post of prefectural head for 3 years only. In 1862 when a Japanese, Takasgui Susumi, made an inspection in Shanghai, he intended to buy "HAIGUO TUZHI." But the book was out of print already!

Because of different ideological bases, the capacity of the two countries to meet an emergency, and the spread at which they could build up the forces of reform were markedly different. Shortly after the opium war, the Shogunate government and various vassal states imported military technology from the West, expanded or established institutions of Western learning, and broke rules to promote talented personnel. This was similar to what China did during the westernization movement, but was 20 years earlier than the movement. In 1868, "Kaisei Jo," the predecessor of Tokyo University, was established. By 1866, there were about 40 Japanese professors and lecturers who taught several foreign languages, and engineering as well as chemistry subjects. In 1868, of 240 western-style schools (analogous to secondary schools), 141 schools taught mathamatics, and 77 taught "foreign language." In 1853, the proportion of science subjects accounted for 35 percent of all subjects taught at schools. Before 1862, nothing significant was done in China. In 1862, a Japanese man called Yukichi Fukuzawa met a Chinese man Tang Shixun in London (Tang was probably an earliest Chinese student with his personal history and works, and hopes that well-informed readers might provide me with the relevant information). Both of them agreed that China and Japan should rapidly study Western learning in order to become prosperous and powerful. They asked each other about the number of talented personnel well versed in foreign languages in their respective country. Fukuzawa said that there were more than 500 in Japan, whereas Tang Shixun felt ashamed because there were only 11 in China. Hearing all this, Fukuzawa sighed with emotion, and at the conversation in his dairy. (Kashi Ishikawa: "Geography of Yukichi Fukuzawa," Vol 1, p 332, and Fukuzawa: "A Western Voyage")

The gathering of the groups of advanced intellectuals was a prelude to the reform. It was in direct proportion to the speed of reform. Without the grouping of intellectuals, it was impossible to promote the reform. In a long period before the Opium War, it was impossible to form intellectuals' groups in China because of the erroneous policy of the Qing government. At that time, figures like Lin Zexu and Wei Yuan were as few as the morning stars. [paragraph continues]

PENG ZHEN HOLDS FORUM WITH INVENTORS

HK161001 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 13 Oct 86

[Excerpt] On the afternoon of 12 October, Political Bureau member of the CPC Central Committee and chairman of the NPC Standing Committee Peng Zhen held a forum with some inventors attending the Second National Exhibition of Inventions. At the forum, be pointed out: In order to carry out reforms and develop productive forces, we must greatly support and encourge all activities in the development of innovations.

He hoped that all comrades who are determined to engage in the activities carry forward the spirit of serving the people wholeheartedly, to constantly make progress. [passage omitted]

Chairman Peng Zhen felt very happy that the participating comrades actively expressed their views. He said: In building the socialist modernizations, we must greatly develop productive forces of society. Having a group of people engaging in activities of developing innovations is a move of promoting and developing productive forces. The Chinese nation has a fine record of making innovations. Now, we further have an independent national economy system. Thus, both the party and state hope that everyone will give play to their initiative and creativeness so as to develop more and better innovations for making the country rich and powerful.

Peng Zhen hoped that this exhibition would stimulate the initiative of youths nationwide in the areas of making innovations, so that China's team of science and technology would grow with each passing day.

He said: We must organize well the scientific and technological personnel, do well in the logistics service, and improve their living and working conditions.

He enthusiastically encouraged the participants to fear no difficulties but to be brave in making innovations, so as to scale new heights in the area of science and technology.

The forum was also attended by Song Jian, state councillor and minister of the State Scientific and Technological Commission; Zhang Pinghua, member of the Central Advisory Commission; Wu Heng, Chairman of Chinese Association of Innovations; as well as leading comrades of the central departments concerned and Hubei Province.

Inspects Wuhan Factories

HK161105 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 15 Oct 86

[Text] On the morning of 13 October, Pen Zhen, Political Bureau member of the CPC Central Committee and NPC Standing Committee chairman, inspected the hot-rolling plant and cold-rolling plant of the Wuhan Iron and Steel Complex.

After he saw that jasmine had grown everywhere in the area of the Wuhan Iron and Steel Complex, he joyfully wrote a few words of encouragement: The Wuhan Iron and Steel Complex is blooming. This expressed his affirmation of the achievements of the Wuhan Iron and Steel Complex and his hopes of its future development.

While inspecting the hot-rolling plant, NPC Standing Committee Chairman Peng Zhen said: We must mainly rely on ourselves to develop the production of rolled steel to meet our needs. We cannot bear the expense of buying imported rolled steel. When he heard that the hot-rolling plant had carried out an assessment by linking the quality of its products with wages and bonuses, he nodded again and again to express appreciation.

In the course of inspecting the cold-rolling plant, when he found that this plant had continuously increased the specifications and variety of its rolled steel to satisfy the needs of the market, NPC Standing Committee Chairman Peng Zhen repeatedly said: Good, good! He watched and listened to reports as he walked along. He often shook hands with and talked to workers, showing his concern for them.

Listens to Hubei Report

HK161029 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 15 Oct 86

[Text] On the afternoon of 13 October, Peng Zhen, Political Bureau member of the CPC Central Committee and NPC Standing Committee chairman, listened to a report made by Guan Guangfu, secretary of the Hubei Provincial CPC Committee, on the implementation of the resolution of the 6th Plenary Session of the 12th CPC Central Committee and on the situation in the economic work of the whole province. Attending the report meeting were responsible comrades of the provincial Party Committee, provincial Advisory Commission, provincial People's Congress, provincial government, provincial CPPCC Committee, provincial Planning Commission, and Hubei Military District, including Guo Zhenqian, Huang Zhizhen, Xu Daoqi, and Li Wei.

After listening to the report, NPC Standing Committee Chairman Peng Zhen spoke, pointing out: The resolution of the Sixth Plenary Session of the CPC Central Committee is a good resolution and the summation of many years' practical experiences. Some thinking and understanding which was not defined in the past has now been defined. Economic construction is generally regarded as the center reform, opening up, and invigoration is adhered to, and the building of socialist spiritual civilization is strengthened. When thinking is lively and unified to a high degree, all causes of our state can be done still better.

He said: Party members must abide by the party Constitution and citizens must observe the Constitution. When the building of spiritual civilization is done well, our party style and the general mood of society will become better and better.

Regarding the problems of the system of factory director assuming full responsibility, of exercising the enterprise's decision-making power, of developing township enterprises, and of subsidizing and building up agriculture with industry, NPC Standing Committee Chairman Peng Zhen conducted investigations among the comrades present. He pointed out: It is necessary to adhere to the system of the factory director assuming full responsibility, to sum up and disseminate the experiences of the typical examples, and to promote the development of the system of the factory director assuming full responsibility.

Prior to the report meeting, Peng Zhen respectively received responsible comrades of the provincial party committee, provincial Advisory Commission, provincial People's Congress, provincial government, provincial CPPCC Committee, provincial Planning Commission, and Hubei Military District and the working personnel of the general office of the provincial party committee and of the General Office and organs of the provincial People's Congress Standing Committee. He had a group photo taken with them to mark the occasion.

ANHUI HOSTS SEMINAR ON COMPREHENSIVE REFORM

OW212121 Beijing XINHUA in English 1524 GMT 21 Oct 86

[Text] Hefei, October 21 (XINHUA) -- The progress of China's economic reform requires the speeding up of political restructuring, a group of theorists agreed at a seminar on comprehensive reform theories which concluded in Maanshan City of east China's Anhui Province Monday.

An all-round reform in the country involves not only economic field but also political structure as well as culture and values, the participants said.

Political restructuring, based on simpler administration and decentralization of powers, should lead to public participation in politics and political democracy, they said.

They also agreed that theoretical workers should study new things emerging in the nationwide reform and sum up fresh experience created by the people.

While studying the resolution on building a socialist society with advanced culture and ideolgoy adopted last month at the Sixth Plenary Session of the Chinese Communist Party Central Committee, the participants discussed the future of the current reform and problems in its implementation.

Present at the seminar were nearly 200 people specializing in economics, philosophy and sociology from all over the country. About 100 academic papers were given at the meeting.

FUJIAN'S CHEN GUANGYI SPEAKS ON LONG MARCH

OW210833 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 20 Oct 86

[Excerpts] At meeting was held in Fuzhou this morning to mark the 50th anniversary of the Long March of the Chinese Worker's and Peasant's Red Army. Attending the meeting were veteran cadres and fighters of the Red Army who happened to be in Fuzhou; leading comrades of the provincial party committee, provincial Advisory Commission, provincial Discipline Inspection Commission, provincial People's Congress Standing Committee, provincial government, provincial CPPCC Committee, provincial Armed Police Force, provincial Military District, and Fuzhou City; responsible persons of various provincial-level units; cadres of provincial and city level organs; PLA cadres and fighters; workers, teachers, and students of institutions of higher learning; and representatives from all walks of life, totaling 1,200 people.

He Shaochuan, Standing Committee member and head of the Propaganda Department of the provincial CPC Committee, presided over the meeting. Chen Guangyi, secretary of the provincial CPC Committee, delivered a speech entitled: Give Full Play to the Revolutionary Spirit of the Red Army in the Long March and Actively Develop the Socialist Modernization Program.

Chen Guangyi said: As we mark the 50th anniversary of the Red Army Long March, we sincerely cherish our memory of the heroic martyrs who laid down their lives for the Long March and those people and patriots who made great contributions to the Long March. [passage omitted]

Chen Guangyi called on people in the province to create a new situation for development of the socialist modernization program, become pioneers in promoting the four modernizations, work hard for the peaceful reunification of the motherland, and forge ahead in unity.

Also attending the meeting were veteran Red Army members Xu Jiaqiang, Wang Zhi, Wang Jiaguang, and Hu Boyi and Deputy Political Commissar Zhang Liqing of the provincial Military District.

SHANGHAI'S WEN HUI BAO ANALYZES BEGGAR GROUPS

HK210247 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1124 GMT 16 Oct 86

[Text] Hong Kong 16 Oct (ZHONGGUO TONGXUN SHE) -- Source from Shanghai: The development of production and economic prosperity are accompanied by the growth in number of beggars. The Shanghai monthly "WEN HUI BAO" published on 15 October has revealed for the first time the beggar groups in Mainland China, and analyzed the realistic causes for the above-mentioned phenomenon.

The author of the article "China's Beggar Groups" cited the data of investigation on beggars in Guangzhou: The number of beggars was 10,858 in 1983; 12,662 in 1985; and 4,104 between January and April 1986. Based on the report of relevant departments, beggars prior to the 1970's were mostly the middle-aged and the aged; but since the 1980's, they are mostly young people; among them are descendents of "old beggars", as well as the disabled, illigitimate children, losers, runaways or broken families, middle-school or college dropouts, abducted children, those going on a pilgrimage for Buddhist scriptures or seeking martial art training, those who play truant, and those who are affected by unhealthy and harmful literary works and are seeking immortality. They are the offspring of historical inertia, and they are extremely unsound in mental quality.

Such cities and provinces as Guangzhou, Shanghai, Jinan, Hunan, and Shanxi each have their own kingdom of beggars. These gypsy tribes with Chinese characteristics are organized on a voluntary basis. They are continuously on the move, and are continuously grouped together. Once they were taken into some collection posts and sent back to their native places, they would rapidly flee hither and thither to all corners of the society. The majority of them lead a life doing no more than "eating and sleeping." Among them re some who have gone in for "ascetic practices," and are bent on "becoming rich" without spending a nickel themselves. In Guangzhou alone are more than 1,000 of those "phony paupers' of whom, 76 percent are from other provinces.

The author analyzed in a comprehensive way the mental state of the beggars through the cases under investigation. Those beggars believe that "one's face is worthless, so why bother losing it," "a home means nothing," "it's useless to fight fate," and "to live is to enjoy the most of life"....

The author holds the view that China has already solved the problem of food and clothing; therefore, the pity and sympathy shown to those ever-growing beggar groups means committing a crime against society; the traditional way of handling beggars by sending them to collection posts should undergo reform; "phony paupers" must be revealed; the beggars' criminal activities must be dealt a blow; and the round on which the beggars rely for their existence must be eliminated.

SEPARATE DEALS SOUGHT FOR U.S. ALCOHOL, CIGARETTES

OW220325 Taipei CNA in English 0245 GMT 22 Oct 86

[Text] Taipei, Oct. 21 (CNA) -- The Republic of China [ROC] has suggested that the nation and the United States sign two independent agreements on the ROC's imports of American cigarettes and alcoholic beverages, Vice Economics Minister Li Mo said Tuesday.

The two nations failed to reach any agreement in the last three rounds of talks on the cigarette and alcohol trade. The ROC had earlier promosed the opening of its market to American cigarettes and alcoholic drinks by the end of October.

Li said that the nation has made the suggestion because of the differences between the two nations on the cigarette trade. He ruled out the possibility that the ROC might make more concessions to the U.S. on this issue.

Li said the ROC has agreed to loosen its ban on advertising American alcoholic beverages in the mass media and reduce its "monopoly tax" on this category, and therefore, it will ask the U.S. to begin the alcohol exports to this nations starting on Nov 1.

Li said that Director General Vincent C. Siew of the Board of Foreign Trade will bring this proposal to the negotiating table in the ROC-USA machine tool trade talks scheduled to be held Oct 24 in Tokyo. Meanwhile, officials of the Coordination Council for North American Affairs in the U.S. will also meet the U.S. authorities on the issues, Li added.

Meantime, the Taiwan Tobacco and Wine Monopoly Bureau [TTWMB] said Tuesday that it has finished preparations for imports of U.S. cigarettes and alcoholic drinks. "Once an agreement is reached, the American products will be on the market here very soon afterward," a TTWMB official said.

PREMIER YU KUO-HUA CITED ON DEFENSE TECHNOLOGY

OW092227 Taipei CNA in English 1510 GMT 9 Oct 86

[Text] Taipei, Oct 9 (CNA) -- Premier Yu Kuo-hua said Thursday that the Republic of China will devote more attention and energy to research in national defense technology and the production of advanced military equipment in order to accomplish the sacred mission of national recovery.

Speaking at the opening ceremony of the 1986 defense technology and ordnance production exhibition in Taipei, Yu said that the Armed Forces of the Republic of China have become ever stronger and have made remarkable achievement in modernizing weaponry and developing national defense technology in the past three decades.

For example, he said, the Armed Forces have made great progress in the development of high performance training and fighter aircraft, surface-to-air and air-to-air missiles, tanks, warships, and other weapons.

He described the exhibition as an indication of successful cooperation among the Armed Forces, academic institutions, and the industrial sector in national defense development.

EXHIBITION DISPLAYS DOMESTICALLY PRODUCED WEAPONS

OW160921 Taipei LIEN HO PAO in Chinese 9 Oct 86 p 2

[Text] Warplanes; Gallant Wind, Sky Bow, and Sky Sword missiles, including the real missiles and their sectional models; and hundreds of other products of national defense science and technology and the ordnance industry will be displayed in the Foreign Trade Associations exhibition hall at Sungshan Airport beginning tomorrow.

The exhibition will consist of 12 [as published] main categories.

The "multi-briefing" shows achievements in the production of weapons and equipment and cooperation work by government and private academic institutes in developing weapons and equipment.

The "chemical equipment category" shows various domestically developed protective instruments and materials, including those for advance alarming, detection, protection, and treatment against chemical agents, as well as warheads, propellant grains, and incendiary agents for rockets and missiles.

The "surveying and mapping category" shows various maps drawn with the aid of man-made satellites and domestic precision instruments.

The "guns and munition category" shows new models of domestically produced guns, artillery, and munitions.

The high-technology materials category" shows various kinds of special heat-resistant, high-strength, and light-weight materials used in rockets and missiles, as well as power batteries for warheads.

The "machinery and precision parts category" includes gyroscopes, attitude-control instruments, and acceleration devices for missiles, as well as various models.

The "electronic information systems category" includes the "self-strengthening artillery radar system" short- and medium-range search radar and electro-optical systems, night-vision equipment, and fire-control systems.

The "armored vehicles category" shows the recently developed CM-24 armored munition transport vehicle, the laser tanks firing training system, and various armored vehicle parts.

The "vessels and naval weapons category" includes propulsion systems for warships, electronic reconnaissance systems, water mines, and models of new types of vessels.

The "aircraft and engines category" will be displayed indoors and outdoors. The outdoor part displays domestically produced warplanes. The indoor part includes high-performance warplane engines, domestically built T214 engines, and aerial electronic instruments.

The "missiles and rockets category" shows Worker Bee 6 rockets and Gallant Wind, Sky Bow, and Sky Sword missiles, including real missiles and sectional models.

According to the Ministry of National Defense, the exhibition will be open to the public from 0900 to 1700 [local] on 10, 11, 14, 18 and 19 October and on the afternoons of 12 and 13 October. Spectators should not carry anything, including cameras, photographic equipment, and dangerous materials. Children under 6 years of age are not allowed to enter the exhibition area.

PRESIDENT CHIANG ISSUES MESSAGE ON REUNIFICATION

OW220537 Taipei International Service in English 0200 GMT 22 Oct

[Text] In Taipei, ROC [Republic of China] President Chiang Ching-kuo issued a written message Monday asking all Chinese people at home and aborad to fully dedicate themselves to the mission of reunifying China under the Three Principles of the People. The president said their effort will help the one billion compatriots on the China mainland live a free, democratic, peaceful, and prosperous life. Chiang issued the message on the eve of Overseas Chinese Day, which falls on October the 21st, saying that he would like to express his sincere gratitude to all Overseas Chinese for their contributions to the national revolutionary cause over the past years. He also expressed the hope that Overseas Chinese will continue their support of the Republic of China and not be fooled by the Peiping regime's one nation, two systems proposal.

MINISTRY TO PUBLICIZE POLITICAL REFORM INITIATIVE

OW200355 Taipei CNA in English 0316 GMT 20 Oct 86

[Text] Taipei, Oct 19 (CNA) -- Foreign Minister Chu Fu-sung said Saturday that President Chiang Ching-kuo's interview with the WASHINGTON POST on the country's plan to terminate its 37-year-old emergency decree and lift the ban on political parties as well as the ruling Kuomintang's approval of the two reform proposals have drawn much acclaim and support from the world community.

Chu said that the ruling party's passage of the two proposals marks yet another milestone in the ROC [Republic of China] history and that the Foreign Ministry will take positive steps to publicize the ruling party and the government's determination to promote constitutional democracy.

Chu made the remarks in response to interpellations at a Legislative Yuan committee meeting.

During the meeting, several legislators said that for years, the emergency decree has been the source of much misunderstanding abroad. On the eve of terminating the emergency decree, they said, the Foreign Ministry should take advantage of the opportunity to clarify all the misunderstanding and build a new national image in the world arena.

Legislator Chien Han-sheng suggested that the ministry keep its staff abroad informed of the latest political development at home so that they can brief foreign news media or friends on the ROC Government's reform initiative and measures.

In reply, Minister Chu promised that his ministry will devote even more efforts to publicizing the government's intention of implementing democracy fully in the years to come.

HONG KONG

TA KUNG PAO VIEWS U.S.-USSR ICELAND MEETING

HK220343 Hong Kong TA KUNG PAO in Chinese 22 Oct 86 p 2

[Special article by Chen Lin (7115 3829): "Wishful Thinking by the United States and the Soviet Union at the Iceland Meeting"]

[Text] The United States Thinks One Way and Behaves Another [subhead]

Before the Reykjavik summit, the United States warned people not to expect too much from the talks, as if it was in no hurry to reach by agreement. The end of the talks happened to confrom to the U.S. attitude before the summit. However, what the United States expected of the summit was in fact contrary to the way it behaved. The United States was anxious to reach an agreement.

As everyone knows, the conventional forces of the Soviet Union and the East European bloc are stronger than those of Western Europe. The nuclear missiles presently deployed in Western Europe are playing a major role in keeping the balance between Eastern and Western Europe. At the Reykjavik summit, the United States played the European missile card without negotiating the matter with its West European allies. It was aware that this would arouse their dissatisfaction, and yet it insisted on so doing because it wanted to reach an agreement in this aspect and was confident in appeasing them afterward.

The United States had this wishful thinking: As long as the "star wars" program is not included in the arms limitation agreement, it may pledge to its West European allies that the gradual reduction of missiles deployed in Western Europe will not affect the military balance in Europe, because once the Soviet Union launches a nuclear offensive, the "star wars" program will play its role in protecting the West European countries. In addition, with the presence of this protective shield, even if the Soviet Union and the East Euroean bloc launch a conventional war on the Western Europe, the United States may stage a nuclear counterattack without fear of the Soviet retaliation. Moreover, it the United States and the Soviet Union had agreed not to include the "star wars" program and the United States gradually reduces its missiles, the West European countries have no other choice but to support the "star wars" program in order to insure their own safety.

The Soviet Union Wants To Wipe Out the "Star Wars" Program as Soon as Possible [subhead]

Once the "star wars" program has been accepted by the West European countries, it will be even more difficult for the Soviet Union to wipe it out in the future. Of course, if the "star wars" program stays, Reagan winning his presidential reelection [as published] and U.S. domestic economic profits will be unquestionable. This was the reason why Reagan responded so quickly and actively to Gorbachev's proposal on holding a summit. Reagan hoped that the Reyjkavik summit, by reaching an arms limitation agreement, would quicken the realization of the "star wars" program. The recent U.S. persuasion of various countries to accept the "star wars" program is evidence.

The Soviet Union took the initiative in proposing a summit for the purpose of wiping out the "star wars" program before it took shape. The Soviets were well aware that they are superior to the Western countries in conventional forces and that the "star wars" program is the only aspect in which they are lagging strategically behind the United States. [paragraph continues]

They can even up with the United States if they succeed in wiping out the "star wars" program at the Reykjavik summit.

The Soviet Union wants to maintain its superiority in conventional forces and the United States is trying to keep its superiority in a nuclear war. The "star wars" program remains the crux of this matter. It was to be expected that the "star Wars" program would be an obstacle at the U.S.-Soviet summit in Reykjavik.

Both Sides Want To Establish Superiority by Taking Advantage of the Meeting [subhead]

What is most worrying is that a question of confidence in the U.S. attitude at the Reykjavik summit has arisen among the West Europen countries. They worry that the United States may neglect their security to protect its own interest. To maintain a military balance in Europe, each of the West European countries will probably develop strategic arms on its own to take the place of the U.S. missiles deployed in Europe. The true cause of the "failure" of the Reykjavik summit was not the "star wars" program but was the fact that both the United States and the Soviet Union wanted to establish superiority through an agreement.

If the United States and the Soviet Union hold negotiations by clinging to this attitude, the chance of their reaching an arms limitation agreement is next to nil.

MACAO

PORTUGUESE SUBMIT PROPOSAL ON HANDOVER AT TALKS

HK220245 Hong Kong SOUTH CHINA MORNING POST in English 22 Oct 86 p 2

[By Chris Yueng]

[Text] Portuguese negotiators have submitted a detailed proposal on the settlement of Macao's future during the first day of the third round of talks beginning in Beijing yesterday.

According to sources close to the Portugese delegation, the proposal included the date of handover the guarantees on the future of the 20,200 Portuguese and Macanese in the enclave.

Real progress was likely to come out of yesterday's Sino-Portugese talks, sources said.

A joint communique will be issued.

During a photo session at the Diaoyutai guest house in the morning, Chinese team leader Mr Zhou Nan kicked off the conversation with Beijing's weather.

Autumn was the best season in Bejing, said Mr Zhou who is a vice-foreign minister.

He said: "Autumn is the golden time. It's a season of ripeness."

Judging also from a masterpiece by a Tang dynasty poet quoted by Mr Zhou, analysts said the two-day talks would go smoothly.

Mr Zhou said he hoped the Portugese team would visit China.

Analysts said the invitation might have been offered as an incentive in resolving Macao's future.

Portuguese President Antonio Ramalho Eanes paid a goodwill visit to China last year.

Speaking to reporters before the morning session scheduled for 9 am, the Portuguese team said the talks would touch upon substantive issues.

The team held discussion with interpreters of the Hong Kong and Macao Affairs Office over the meaning of specific terms in the documents tabled at the negotiations.

Progress was said to have been made during the three hour discussion.

It is understood that the Chinese team had tabled a detailed outline on the settlement of Macao's future under the principle of "one country, two systems" during the first round of talks held in July.

Contentious areas centred on the date of handover, guarantees on the future of the Macanese and the handling of the colonial history of the territory.

Lisbon sources said an important announcement was likely to be made when Mr Zhou visited Portugal next month.

Despite repeated statements by Beijing that the handover of Macao should mirror that of Hong Kong, all signs now indicate that Portugal does not favour the changeover falling in the same year, 1997.

The Governor of Macao, Dr Pinto Machado, who arrived in Lisbon for consultations last week, cautioned that the case of Macao was totally different from that of Hong Kong and it was "absolutely impossible" for the two territories to return to China in 1997.

"Macao is not the same size as Hong Kong, is not at the same stage of development and the problem is far more complex," he said.

JI PENGFEI MEETS MACAO UNIVERSITY RECTOR

OW171926 Beijing XINHUA in English 1605 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- Ji Pengfei, Chinese state councillor and director of the Hong Kong and Macao Affairs Office under the State Council, met Professor Paul T.K. Lin, rector of the University of East Asia, Macao, and his party here today. Ji congratulated Lin on his new post as rector of the university. They exchanged views on matters concerning education and training of personnel. Lin arrived here October 13 at the invitation of the State Education Commission.

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More on U.S. 'Interference'

OW221548 Beijing XINHUA Domestic Service in Chinese 1150 GMT 22 Oct 86

[Text] Beijing, 22 Oct (XINHUA) -- A spokesman for the Ministry of Foreign Affairs pointed out today that the U.S. Congress' recent act of listing China's Xizang as a separate "country" in passing the ammendment to the U.S. Export-Import Bank Act constituted a wanton interference in China's internal affairs.

Speaking at a news briefing this afternoon, the spokesman said: The Senate and the House of Representatives of the U.S. Congress have gone so far as to disregard well-known facts and listed Xizang as a separate "country" when they recently passed the amendment to the U.S. Export-Import Bank Act of 1945. This constitutes a wanton interference in the internal affairs of China. We express our indignation at this. However, we have taken note of the statement made by President Reagan in signing the amendment that "the United States recognizes Tibet [Xizang] as part of the People's Republic of China." We hope that, in the future, there will be no recurrence of such an incident of interfering in the internal affairs of China and hurting the feelings of the Chinese people.

The spokesman added that the report about Israel preparing to import raw coal from China is "completely groundless."

Counter Attacks Against SRV

HK221434 Hong Kong AFP in English 1424 GMT 22 Oct 86

[Text] Beijing, Oct 22 (AFP) -- China's Army launched tough counter-attacks last Sunday to combat "armed provocation" by Hanoi along the Sino-Vietnamese border, a Chinese Foreign Ministry spokesman said Wednesday.

"Recently, Vietnamese troops have continued their armed provocations in the border areas of China and Vietnam," Foreign Ministry spokesman Yu Zhizhong told a weekly news conference.

"The Chinese border guards have meted out forceful counter-attacks against the Vietnamese troops," he added. He gave no further details.

Tension along the border escalated last week when Hanoi accused China of staging its most violent incursions since the beginning of the year. Beijing first responded on Friday, saying it has launched counter-attacks.

Hanoi has said 350 Chinese soldiers have been killed since October 14, when it said Chinese infantry and artillery fired several thousand shells into the Vi Xuyen District of northern Vietnam.

On Tuesday Beijing rejected a proposal by top Vietnamese leader Truong Chinh to start talks to normalize relations between China and Vietnam, whose Armed Forces have regularly clashed since a brief but bloody 1979 border conflict.

That year Chinese troops entered Vietnam to "teach a lesson" to Hanoi for having invaded neighboring Cambodia, overthrowing the pro-Beijing Khmer Rouge government led by Pol Pot. An estimated 140,000 Vietnamese troops are still in Cambodia.

HSIN WAN PAO ON EFFECTS OF ICELAND SUMMIT

HK230409 Hong Kong HSIN WAN PAO in Chinese 19 Oct 86 p 1

["New Talk" Column: "Western Europe Is Suffering the After Effects of the Iceland Summit"]

[Text] The American Congress has finally adopted the government budget bill, enabling tens of thousands of government functionaries who were temporarily suspended from work at noon last Friday to resume work.

This is how things stand in the United States. On the one hand, there are large budget deficits and on the other, President Ronald Reagan is personally expediting the Star Wars program, demanding more military spending.

Yesterday when Reagan campaigned in North Dakota for local Republicans and discussed "Star Wars," he was refuted by Democrat Congressmen who argued that the United States should concern itself with its agricultural economy, employment, and huge federal deficits. "We are up to our necks in debt and nuclear weapons."

Reagan's persistence in carrying out the Star Wars program caused the U.S.-Soviet summit to break down without result. Not only has this sparked more debates at home but it has also become one of the top issues for voters in the mid-term elections to be held on 4 November and also aroused debates among American allies.

It has been reported that the NATO military authorities have expressed their dissatisfaction. [Meyer] [mai ke 7796 0344] (from West Germany), deputy commander-in-chief of the NATO military forces, indicated that when the U.S. President put forth his disarmament proposals at the Iceland summit, he had not consulted NATO beforehand and they were illegal in terms of procedures. Even after the summit the United States did not promptly inform NATO of the summit's developments.

It is said that the American-appointed Commander-in-Chief Bernard Rogers also lodged the same protest to U.S. Defense Secretary Caspar Weinberger. The explanations made by Weinberger in Rome yesterday were tantamount to appeasing the West European armed forces.

In this connection, West Germany and Britain were no exception. Although they expressed their support for the U.S. stand at the Iceland meeting, they were hopeful that the United States and the Soviet Union would conclude some agreements. The fruitless outcome of the summit will be no benefit to the present British and West German Governments.

Both Britain and West Germany will hold elections next year. West Germany has decided to hold elections at the beginning of the year. Although Britain's Margaret Thatcher has not set a date for elections, it is widely believed that she will go to the polls in 1987.

The party currently in power in West Germany is the Christian Democratic Union but Chancellor Helmut Kohl, who is a Christian Democrat, formed a coalition government. The country's "Green Party," a great antinuclear force, is on the rise, and it has expressed opposition to the U.S. Star Wars program. Kohl has however expressed his readiness to participate in Star Wars research on behalf of West Germany. Therefore, the breakdown of the Iceland summit over the Star Wars issue will certainly have an impact on Kohl's future.

At its recent annual meeting, the British Labor Party decided that if it was in office, it would turn Britain into a country refusing to store any American nuclear warheads. Britain's Mrs Thatcher gives all-out support to the U.S. nuclear policy and is prepared to take part in the Star Wars program. However public opinion in Britain holds that "Star Wars" is aimed at protecting America alone and not Europe. Therefore, any breakdown of the Iceland summit over the Star Wars issue may have an adverse effect on the British Conservative Party in next year's elections.

Yesterday U.S. negotiators stressed that the United States and the Soviet Union could probably reach an agreement on the issue of the deployment of intermediate-range missiles next year. In fact, the Soviet Union has repeatedly declared that the issue of intermediate-range missiles should be settled hand in hand with that of Star Wars. Therefore, the current U.S. pronouncement is but a message designed to tell West European countries no to get nervous so as to ensure that voters in West Germany and Britain will not go against their current governments. On no account does the United States want to see any big changes in the political situations of West Germany and Britain.

FOREIGN BANKERS WANT CLOSER COOPERATION WITH PRC

OW222148 Beijing XINHUA in English 1600 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) — Bankers and financial experts from 12 countries and regions gathered to discuss how to increase cooperation with their Chinese counterparts at a workshop which closed here today.

Chen Muhua, state councillor and governor of the People's Bank of China, said the Chinese Government is determined to absorb more foreign capital to intensify its economic construction. As for China's ability to repay foreign investment, the Chinese people have never been worried, so foreign investors should not be worried either, she said.

In the past five years, China has absorbed 10.3 billion U.S. dollars of foreign loans in various forms and amassed 1.3 billion U.S. dollars of direct investment by overseas investors.

David L. Hodgson, chairman of the International Banking Division of PA Consulting Services of Australia, said the overseas bankers at this workshop were deeply impressed by Chinese achievements in absorbing foreign capital in the past few years.

"There are too many stories in the outside world of what goes wrong rather than what goes right in China," he said, adding that China should improve communication with the world, particularly in relation to joint ventures and their achievements. Better communication would increase confidence among outside investors, he added.

Workshop participants suggested selected overseas banks should be allowed to operate freely in one or a small number of chosen cities. They also expressed their hope to further financial cooperation with China. To date, more than 100 overseas banks have set up over 160 representative offices in Beijing, Shanghai, Tianjin and other cities, and 23 foreign banks have opened branches in Shenzhen, Xiamen and other special eocnomic zones. The Chinese Government is taking measures to give more favorable treatment to overseas banks in China, according to an official from the People's Bank of China.

The three-day workshop was jointly organized by the China foreign economic relations and trade consulting corporation and PA Consulting Services of Australia.

USSR TO PROVIDE POWER TRANSMISSION EQUIPMENT

OW221627 Beijing XINHUA in English 1548 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) -- China and the Soviet Union signed a contract here today on providing China with power transmission and transforming equipment and materials.

Under the contract, the Soviet Union will supply major equipment and materials for Chinese projects involving 500,000-volt power transmission lines and transforming sub-stations. One of the power lines extends from Dongfeng via Changchun in Jilin Province to Harbin in Heilongjiang Province, and the other from Shentou in Shanxi Province via Xushui in Hubie Province to Tianjin.

The contract was signed by representatives of the China National Technical Import Corporation and the National Technical Industrial Export Corporation of the Soviet Union.

LIAOWANG ON SOVIET POSTURE TOWARD W. EUROPE

HK230613 Beijing LIAOWANG in Chinese No 40, 6 Oct 86 p 6

[Article by Huang Pengnian (7806 1756 1628): "Soviet Union Changes Its Attitude Toward the European Community"]

[Text] Between 22 and 24 September, representatives of the Council for Mutual Economic Assistance of Eastern Europe and the European Communities of Western Europe held a 3-day secret meeting in Geneva. After the meeting, the European Communities issued a statement saying that the bilateral meeting was "explorative" and held in a friendly atmosphere. Both sides discussed ways and means to establish official relations between these two biggest economic groups in Europe and to carry out closer cooperation.

This meeting was held according to a proposal of the Council for Mutual Economic Assistance [CEMA]. As compared with the Soviet Union's hostile attitude toward the European Communities, observers hold, this meeting reflected a radical change in the Soviet Union's attitude toward the European Communities.

In a certain period after the establishment of the European Communities, the Soviet Union heaped abuse on it and then adopted an "ostrich policy" -- refused to recognize the European Communities. In the last years of Brezhnev's rule, relations between the Soviet Union and the European Communities began to thaw, and CEMA and the European Communities opposed the Soviet Union's invasion of Afghanistan, it suspended the dialogue with CEMA in March 1980. It also clearly indicated that since CEMA did not have a united tariff and trade policy, the European Communities would not recognize it as an equal trade partner. However, contrary to people's expectations, CEMA took the initiative last year and sent a document to the European Communities, proposing that both sides establish official relations. On 14 June this year, the secretary general of CEMA again wrote a letter to the chairman of the communities commission, proposing that both sides hold a meeting to discuss the establishment of official relations and close cooperation. [paragraph continues]

The European Communities made positive responses. Then, the two sides held the above-mentioned 3-day secret talks. The Soviet Union is the leader of CEMA.

The fact that CEMA took the inititative to resume the dialogue which had been suspended for 5 and 1/2 years showed that the Soviet Union's attitude toward the European Communities had changed from being hostile to the European Communities to recognizing it.

The change of the Soviet Union's attitude toward the Europena Communities also reflects the changes in the Soviet Union's political attitude and policy toward the West. In 1975, the Soviet Union changed its attitude toward the West. In 1975, the Soviet Union changed its attitude toward the European Communities because it tried to make the ongoing European security conference a success. At present, the Soviet Union is trying to establish official relations with the European Communities as it is launching a peace offensive against the United States. While changing its attitude toward the European Communities, the Soviet Union has an obvious political intention: It is trying to draw Western Europe to its side while it is having a test of strength with the United States. As some West European people said, the Soviet Union is trying to drive a wedge between the United States and Western Europe and finally split them up so as to expand its own influence in Western Europe.

Although the Soviet Union did not recognize the European Communities in the political respect in the past, trade between the Soviet Union and the European Communities and between CEMA and the European Community has been increasing all along. From 1970 to 1984, the total volume of trade between the European Community and CEMA increased by 620 percent, and that between the European Community and the Soviet Union increased by 1070 percent. The exports of the Soviet Union to the European Communities accounted for three-quarters of its exports to the West as a whole. In this period, the exports of the Soviet Union to the European Communities increased by 1350 percent, and the Soviet Union was the European Communities' fourth largest trade partner next to the United States, Saudi Arabia, and Japan. In 1985, the total volume of trade between the European Community and CEMA reached $43.9 billion, and Soviet-EC trade accounted for more than half this figure. In 1970, the European Communities only signed 350 contracts with East European countries; but in the early 1980's, the number of contracts signed between the two sides exceeded 2,000 each year. All this shows the important position of the European Communities in the foreign economic relations of the Soviet Union and Eastern Europe. Due to the fall in oil prices and the fall in the exchange rate of the U.S. dollar, the Soviet Union has suffered heavy losses in its foreign exchange income from the West this year, because the Soviet Union earns 60 percent of its hard currency through its oil export to the West, and most of such foreign exchange income is U.S. dollars. It is estimated that the Soviet Union will earn $9 billion this year from trade with the West, less than last year. At present, the Soviet Union and the East European countries are carrying out reforms in order to speed up their economic development, and they thus need to import advanced technology from the West, mainly from Western Europe. Therefore, the Soviet Union is anxious to establish official relations between CEMA and the European Communities. This will remove the obstacles to the expansion of its exports to the West and thus enables it to import advanced technology from Western Europe.

In addition, the Soviet Union has also taken other actions on its own initiative to improve its economic relations with the West. For example, Moscow has submitted a membership application to the General Agreement of Tariffs and Trade, has expressed its willingness to set up joint ventures with Western companies, and has hinted that it will not refuse to join the International Monetary Fund forever. All this is a clear message passed by the Soviet Union to Western Europe: The Soviet Union hopes to develop closer economic relations with Western Europe.

In view of the limited market in Western Europe, the member countries of the European Communities have long been hoping to enter the markets in Eastern Europe. Now the Soviet Union has opened its door in the economic field to the West, and other countries in Eastern Europe will be freer to do business with Western Europe. Although political relations between the two sides will still be subject to various restrictions and limitations, the wind of reform in the Soviet Union and other East European countries will blow their door more widely open to the West, and it is certain that economic relations between the European Communities and the Soviet Union and between the European Communities with East European countries will become closer. The possibility that the two sides will establish official relations should not be excluded.

INCREASED SOVIET ACTIVITIES IN MIDDLE EAST VIEWED

HK221121 Beijing LIAOWANG in Chinese No 40, 6 Oct 86 p 42

[Article by Rui Yingjie (5360 5391 2638): "The Soviet Union Steps Up Its Activities in the Middle East"]

[Text] The Soviet Union has recently launched vigorous diplomatic activities in the Arab world, centering on the convocation of an international peace conference on the Middle East. This has aroused the concern of the United States. After a meeting with Israeli Prime Minister Shimon Peres in mid-September, U.S. Secretary of State George Shultz declared that the United States would continue to reject Soviet participation in a Middle East peace conference unless it resumed diplomatic relations with Israel and relaxed restrictions on Soviet Jews leaving the country.

The Soviet Union is stepping up its activities in the Arab world with the aim of entering into rivalry with the United States and expanding its influence in the Middle East. It appears to have made some headway. We can see this from changes in Jordan's attitude toward the United States and the Soviet Union. Jordan has been working hard to resolve the dispute between the Arab states and Israel. Before 1985, Jordan chiefly tried to unite with the PLO in holding a dialogue with the United States and then, with the aid of U.S. influence, to force Israel to make concessions on the issue of occupied Arab territories. It pinned its hopes on the United States but got nothing. In 1986, due to the difficulties created by the United States, the unity between Jordan and the PLO was broken up. For this reason, Jordan has concentrated its attention on holding an international conference on the Middle East. The Soviet Union has lost no time in seeking common ground with Jordan on this issue. Therefore, Jordan has visibly strengthened its efforts to draw support from the Soviet Union.

Since the Camp David agreement in 1978, the United States has always excluded the Soviet Union from participation in resolving the Middle East issue. The Soviet Union, however, had constantly tried to reverse this situation without any success. In recent months, the Soviet Union has seized this opportunity to challenge the United States in an attempt to change the U.S. position of dominance in the Middle East peace process.

In addition to continuously maintaining its position and influence in Syria, Libya, and South Yemen, the Soviet Union is closing in on the U.S. traditional sphere of influence in the Middle East and, in particular, strengthening its relations with Jordan and the Gulf states.

The Soviet Union has made use of the international peace conference on the Middle East to oppose the United States and tried hard to expand its influence among Arab states. Last July, the Soviet Union and France put forward a proposal on holding a meeting of the five permanent members of the UN Security Council to solve the Middle East issue. In August, two deputy Soviet foreign ministers went simultaneously to the Middle East to visit six Arab states, including Jordan, and to meet PLO chairman Yasir 'Arafat. They indicated that the Soviet Union supported the idea of the Arab states holding an international conference for a just and lasting solution of the Middle East issue. They also publicized the Soviet proposal on holding a meeting of the five permanent members of the UN Security Council. Jordan and other Arab states are very much satisfied with this Soviet stand.

Soon after the two deputy Soviet foreign ministers left, U.S. Assistant Secretary of State Richard Murphy arrived in early September for a 10-day visit to five Middle East countries. The purpose of his visit was obviously to offset the effect of the Soviet offensive in a vigorous attempt to preserve the U.S. position of dominance in the Middle East.

Middle East observers hold that, despite its progress in the Middle East, the Soviet Union has not effected any major changes in the balance of power in this region.

SOVIET LECTURE MARKS 1911 CHINESE REVOLUTION

OW230310 Beijing XINHUA in English 0243 GMT 23 Oct 86

[Text] Moscow, October 22 (XINHUA) -- The Soviet Union held today a public lecture to commemorate the 75th anniversary of the Chinese Revolution of 1911.

The lecture marking the Chinese bourgois democratic revolution led by Dr. Sun Yat-sen which overthrew the Qing Dynasty, was held by the Union of Societies for Friendship and Cultural Relations with Foreign Countries and the Soviet-Chinese Friendship Society.

A professor of the State Institute of International Relations in Moscow provided a detailed report on the revolution's background, process and important role in Chinese revolutionary history.

KIM IL-SONG LEAVES ON OFFICIAL USSR VISIT

OW220859 Beijing XINHUA in English 0846 GMT 22 Oct 86

[Text] Pyongyang, October 22 (XINHUA) -- Kim Il-song, president of the Democratic People's Republic of Korea (DPRK), left for Moscow today for an official visit at the invitation of Soviet leader Mikhail Gorbachev.

Sources here say the two leaders, who have never met before, will discuss the situation in the Korean peninsula, bilateral economic relations and possibly military issues.

Recalling the DPRK president's previous visit to the Soviet Union in May 1984, the source noted that Kim's second visit in two years showed his desire to maintain relations with the Soviet Union.

Vice-Premier and Foreign Minister Kim Yong-nam and Party Secretary Ho Tam accompanied Kim Il-song on the visit.

PRC SEEKS KIM'S HELP IN MOSCOW RELATIONS

OW230201 Tokyo KYODO in English 0150 GMT 23 Oct 86

[Text] Beijing, Oct. 22 KYODO -- Chinese President Li Xiannian asked North Korean leader Kim Il-song to act as an "intermediary" for better China-Soviet relations during the latter's visit to Moscow, which started Wednesday, according to reliable Eastern bloc sources here.

The sources said Li made the request after Kim revealed to Li his plan to visit the Soviet Union during their meeting in Pyongyang earlier this month.

Kim agreed to make such efforts when the North Korean president meets with Soviet leader Mikhail Gorbachev in Moscow, they said.

Li was believed to have asked Kim to persuade the Soviet Union to compromise, particularly, on the Kampuchean issue.

China regards the Soviet support of Vietnamese troops in Kampuchea as a major obstacle against improved China-Soviet relations.

The official Chinese news agency XINHUA, reported Kim's departure for Moscow Wednesday and said he might discuss military matters during his summit meeting with Gorbachev.

It was China's first expression of its interest in the recent development in the Soviet-North Korean military cooperation as reported by the official news agency.

Observers here say China might be trying to check possible expansion of Soviet-North Korean military ties as a result of the two countries' negative reaction to China's recent decision to accept a port call by U.S. warships the first time since 1949.

Attributing to Pyongyang sources, XINHUA said that the Kim-Gorbachev talks in Moscow will cover current developments in the Korean peninsula and Soviet-North Korean economic relations, as well as military problems.

ANNIVERSARY OF PRC ENTRY INTO KOREAN WAR MARKED

OW222057 Beijing XINHUA in English 1504 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) — Sin In-ha, ambassador of the Democratic People's Republic of Korea to China, gave a banquet here today marking the 36th anniversary of Chinese volunteers participation in Korea's war against U.S. aggression.

Yang Dezhi and Xu Huizi, chief and deputy chief of the General Staff of the Chinese People's Liberation Army, attended the banquet.

Xu said that the Koreans and Chinese had forged a profound fraternal friendship in the war against aggressors. This kind of friendship is a model of proletariat internationalism and should be carried forward.

Sin In-ha expressed his gratitude to the Chinese people and Government, adding that the Korean people would always remember this memorable day.

MONGOLIA RATIFIES SINO-MONGOLIAN CONSULAR TREATY

OW231314 Beijing XINHUA in English 1309 GMT 23 Oct 86

[Text] Ulaanbaatar, Mongolia, October 23 (XINHUA) — The Mongolian legislature today ratified the Sino-Monogolian Consular Treaty, the first since the two countries established diplomatic relations in 1949.

The treaty was signed here on August 10 by Chinese Vice Foreign Minister Liu Shuqing and his Mongolian counterpart D. Yondon.

ZHAO ZIYANG MEETS JAPANESE BANK DELEGATION

OW211330 Beijing XINHUA in English 1233 GMT 21 Oct 86

[Text] Beijing, October 21 (XINHUA) — Chinese Premier Zhao Ziyang said today that the reform of China's financial structure plays an important part in the ongoing economic reform, and the latter cannot succeed without the former.

He made this remark at a meeting here this evening with a delegation from the Bank of Japan led by its President Satoshi Sumida.

Since China lacks financial personnel, Zhao urged the central banks of the two countries, the Bank of Japan and the People's Bank of China, to strengthen cooperation in personnel training.

During their talk, Satoshi Sumida invited Chen Muhua, Chinese state councillor and governor of the People's Bank of China, who was also at the meeting, to visit Japan. Chen accepted the invitation.

TIAN JIYUN CONTINUES TOUR OF ASEAN COUNTRIES

Talks With Thai Counterpart

OW221423 Beijing XINHUA In English 1216 GMT 22 Oct 86

[Text] Bangkok, October 22 (XINHUA) — Visiting Chinese Vice-Premier Tian Jiyun held a talk this morning with Thai Deputy Prime Minister Phong Sarasin, focusing mainly on the enhancement of bilateral economic cooperation, according to reliable sources. Both sides have expressed satisfaction over their present relationship.

Tian said the purposes of his visit to Thailand are to promote mutual understanding and friendship, to learn from Thai experience of development as well as to explore new ways for closer cooperation. The Chinese vice-premier suggested that the two countries study the possibility of barter trade as means to expand the bilateral trade. Thai entrepreneurs are perfectly welcome to invest in China, Tian said, adding that he would also encourage Chinese enterprises to do so in Thailand. He said the reinforced economic cooperation is beneficial to the relationship of the two countries.

Phong said the economic relations between Thailand and China are developing smoothly and Thailand will make a further study of the proposed barter trade.

During the meeting, suggestions on promoting the cooperation in economic trade, tourism and fishery have also been discussed.

Besides Tian extended an invitation to the Thai Deputy Prime Minister to visit China next year and Phong has accepted it.

Honored at Dinner

OW221925 Beijing XINHUA in English 1933 GMT 22 Oct 86

[Text] Bangkok, October 22 (XINHUA) — Thai Deputy Prime Minister Phong Sarasin said here this evening that Thailand and China should "continue to seek ways to promote their economic and trade relations."

He made the remarks at dinner in honor of visiting Chinese Vice Premier Tian Jiyun, who arrived here yesterday for a week-long visit to Thailand.

Pong said that he appreciated China's achievements in developing its agriculture and industry. This is a result of "the open-door policy and the economic reforms" which is now going on in China, he said. He noted that Thailand and China are both developing countries and could "held each other in their national development."

In his reply, Tian Jiyun said that China wishes to have closer political consultations and coordinations and develop economic cooperation with Thailand. Tian voiced China's firm support to the Kampuchean people in their struggle against Vietnamese aggression. He also gave China's resolute support to the Thai people in their just struggle against foreign aggression and for safeguarding national independence and state sovereignty.

This afternoon, Thai officials briefed the visiting Chinese vice premier on Thailand's economic development and use of foreign capital.

FURTHER REPORTAGE ON HONECKER'S PRC VISIT

Meets Zhao Ziyang

OW221301 Beijing XINHUA in English 1245 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) — Chinese Premier Zhao Ziyang said here today there are broad prospects for the development of relations between China and the German Democratic Republic (GDR). Such relations, which are based on mutual political respect and economic equality, are full of vitality, he added.

The premier made these remarks during a two-hour talk with Erich Honecker, general secretary of the German Socialist Unity Party Central Committee and chairman of the GDR State Council, here this afternoon.

Zhao and Honecker exchanged ideas on ways to further bilateral relations.

Zhao said China set great store by the sound development of its relations with the GDR, which has been realized as a result of many common points shared by the two countries.

The common points include the fact that the two parties and governments set their policies in the interests of their countries and nations and according to their own conditions, and both are engaged in bulding socialism, improving the life of the people, safeguarding world peace and opposing arms race. Furthermore, both sincerely wish for strengthened bilateral relations, and can respect and understand each other.

Honecker said GDR-China relations have shown gratifying improvements and economic cooperation is also going very well. He said China, a great country, is devoting itself to a modernization drive and the GDR is an industrially developed country. it is entirely possible for the two countries to further their trade and economic cooperation. He maintained the two countries should open to, complement and support each other in the economic field.

Both Zhao and Honecker expressed satisfaction with the increased exchange of visits by leaders of the two countries and contacts between their various departments, and the growing Sino-GDR cooperation in various fields.

They agreed to make continued efforts to further the friendly cooperation between the two countries in an all-round and deep way.

The Chinese premier asked Honecker to convey his invitation for Willi Stoph, chairman of the GDR Council of Ministers, to visit China.

Honecker also invited Zhao to visit the GDR on behalf of the Stoph. Zhao accepted the invitation.

At Cultural Soiree

OW221655 Beijing XINHUA in English 1539 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) — German Democratic Republic Leader Erich Honecker took time out of his packed visiting program by attending a cultural evening here today.

Artists from the Chinese Liberation Army presented a colorful program of songs and dances for Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the GDR State Council, and his party. Several German songs presented by Chinese singers were warmly received.

Accompanying Honecker at the performance was Ye Fei, vice-chairman of the Standing Committee of China's National People's Congress.

After the performance, Honecker mounted the stage to congratulate the performers on the success of the evening and presented them a basket of flowers.

Talks With Deng Xisoping

OW230756 Beijing XINHUA in English 0749 GMT 23 Oct 86

[Text] Beijing, October 23 (XINHUA) — Chinese leader Deng Xiaoping said today he agreed with Democratic German Leader Honecker's view that for the Chinese Communist Party (CPC) and the German Socialist Unity Party it is not a question of resuming their relations, but rather one of further growth.

Deng, chairman of the CPC Central Advisory Commission, made the comment at a meeting with Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party and chairman of the Council of State of the GDR, at their 50-minute meeting at

The Great Hall of the people.

The two parties have never broken off their relations, he added.

The CPC formulated some new views on China's external and domestic policies and on handling its relations with other parties, Deng said, after summing up the experience and lessons of the international communist movement at the Third Plenary Session of its 11th Central Committee. In short, these viewpoints mean the attitude of looking forward.

"We have adopted a forward-looking attitude in handling both domestic and international affairs," Deng said.

He recalled his short stay in Berlin in 1925, especially his close friendship with German communists.

"We should carry on the unity and friendship between the two parties, working classes and peoples of the two countries dating from that period and keep up our cooperation," Deng said.

Honecker said relations between the two countries and parties have been developing continually since the Third Plenary Session of the 11th CPC Central Committee. His current official friendship visit to China has started a new phase in this regard.

Through the visit, Honecker said, "We have deepened our understanding of China and our friendship has been strengthened." He said the GDR people have very friendly feelings for the Chinese people and wish to further develop their relations.

Honecker also said he was glad to see Deng in good health.

After the meeting Deng gave a lunch in honor of his guests.

LIAOWANG DISCUSSES PRC-EAST EUROPEAN RELATIONS

HK221035 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 42, 20 Oct 86 pp 5-6

[Article by Zhu Chengjun (4555 2110 6511): "A New Chapter in China-East European Relations"]

[Text] Following the working visit to China by Jaruzelski, general secretary of the Central Committee of the Polish United Workers' Party and chairman of the Council of State, Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the Council of State, will pay an official friendly visit to China. Recently, a number of vice premiers from East European countries have come to China in succession. On the other hand, a Chinese NPC delegation headed by Vice Chairman Liao Hansheng undertook a friendly visit to Bulgaria, Hungary, and Czechoslovakia. Such numerous high level contacts within a short period are indeed rare. Some foreign reporters described it as an "East Euroean craze" in Beijing this autumn.

In recent years, China's relations with East Europe's Poland, GDR, Hungary, Czechoslovakia and Bulgaria have developed smoothly and maintained a growing momentum. The areas of bilateral cooperation between China and these countries continued to expand, dealings between people increased, while the level of contacts rose gradually. Both sides feel that consolidation and expansion of existing ties are beneficial to development of each country's construction, to the people, and to the maintenance of world peace. Hence, the arrival today at the highest level of dialogue is not accidental, but the result of a natural course.

First, the industries of these medium and small East European countries suffer from insufficient raw materials and limited markets, but they posses a certain level of industrial production capability and a thriving foreign trade. On the other hand, with its vast land and rich resources, China's production of basic necessities, light industrial, and textile commodities is relatively more developed. However its equipment, notably that imported from the Soviet Union and East Europe in the 1950s, is now old and needs to be changed. The development of trade and economic relations allows the countries to learn from each other, offset their weaknesses, and help supply each other's needs. The importation of new installations from East European countries which share a similar technical system with China will be beneficial to the latter's realization of its Seventh 5-Year Plan. China has now clearly indicated that it is opening up not only to Western developed countries but also to all socialist states. This opens a broad horizon for further strengthening these kinds of relations.

Owing to the above-mentioned conditions, China's trade with these five countries has developed relatively quickly in recent years. Sino-Czechoslovak trade volume in 1984 totaled 1 billion Swiss francs, an increase of almost one and a half times over that of 1983. Trade volume between the Chinese and Polish Governments in 1984 amounted to only 452 million Swiss francs; in 1985, it rose to 1,304 million Swiss francs, an increase of 1.8 times the previous volume. If the supplementary trade between the two countries and local barter trade between Chinese provinces and municipalities with Poland were included, the actual figure would total more than 1.5 billion Swiss francs. Looking at the areas of cooperation, it is presently entering a new stage, that is the stage of launching of production and technical cooperation as well as joint capital ventures.

In 1985, China's Vice Premier Li Peng visited five countries in East Europe and concluded 1986 to 1990 long term trade agreements with Poland, Hungary, Czechoslovakia and Bulgaria. It is expected that trade volume between China and East Europe will still grow dramatically.

Second, notable progress was also made in scientific and technological cooperation. China's light industrial and textile commodities as well as its arts and crafts have long made their name in East Europe. However, East European people have very little understanding of the advanced technology that China presently possesses. Owing to their restricted opening to the outside world as well as to the embargo imposed by the Paris Planning Commission, the standards of East European countries in certain fields of high and new technologies are not as good as those of China. Thus, they are very much interested in the scientific and technological results achieved by China and expressed willingness for cooperation and introduction. At the same time, these countries have more advanced production technology in traditional industries and China can learn and adopt them. At present, mutual cooperation in science and technology already involves shipbuilding, car manufacturing, chemical industry, metallurgy, geology, machinery, construction, building materials, electronics, medicine, agriculture and other areas. In May and June this year, Chinese departments in charge of science and technology concluded direct cooperation protocols with their counterparts in Poland, Czechoslovakia, and Hungary, respectively. China also signed a government treaty on scientific and technical cooperation with the German Democratic Republic. The conclusion of these agreements sets a new foundation for scientific, technological and economic cooperation between China and these countries.

Third, for a long time in the past, these five countries' contacts with China were limited to the economic field, with discreet avoidance of political issues, for everyone believed that to surpass the development of Soviet ties with China was not a good idea. Today, changes are taking place. The East European states widely believe that China is a great socialist country with an increasing role and influence in the world; hence, development of ties with China is favorable to maintenance of peace and enhancement of the international role of socialism. Demonstrating the foresight of statesmen, leaders of some countries decided to throw off the burden of history and look to the future. A few years back, they had expressed their dissatisfaction over development of just economic ties with China, and wanted to foster political relations as well. Prior to 1984, their diplomatic contacts with China were mainly restricted to the level of first deputy foreign minister, while exchanges at other ministerial levels were rather limited. Now, a breakthrough has been made. Wang Renzhong, vice chairman of the NPC Standing Committee, revisited Poland and the GDR in 1985.

In June this year, Chinese Foreign Minister Wu Xueqian also visited the GDR and Hungary. The East European countries have also sent important people such as National Assembly chairman to China. The number of exchange visits at the ministerial level is also unprecedented. As a friendly gesture, party and government leaders of both sides usually receive the visiting guests in person. The frank and cordial meetings as well as extensive talks between hosts and guests have strengthened mutual understanding and confidence.

Fourth, China has resumed and even continues to develop cultural, educational and sports exchanges with these countries. New records have been registered in exchanges in some areas. At present, they have exchanged students officially, cooperation projects have been established among some higher institutes of learning, and ties between science institutes gradually restored. Cooperation agreements between sports circles were signed, journalists' associations began official contacts, while exchange visits of artistic troupes increased. Some Chinese artistic troupes and wu shu delegations even performed in Poland for a fee. Some places in these countries held a "China Day" or "China Week", exhibited Chinese items, and discussed Chinese films. Movies from these countries also appeared on the Chinese screens.

Summing up, development of state relations between China an these five East European states is more comprehensive and basically normalized. The conditions are ripe for exchange visits between the highest leaders. At present, while party relations have not been restored, exchange visits between low level organs of the party central committees do take place. In the last few years, the CPC has restored and developed relations with many communist parties in the world, along with nationalist parties of the Third World, socialist parties, and socialist democratic parties of advanced countries. It may be deduced that if party to party relations with East European states are to be restored, there would be no obstacles on the part of the CPC.

China enjoyed excellent relations with the five East European states in the 1950s. In the early 1960s, due to the ideological differences between China and the Soviet Union, where China refused to submit to Soviet pressure, Sino-Soviet relations worsened drastically. As members of the CEMA and the Warsaw Pact, the five Eastern European countries had to maintain solidarity on fundamental position and steps with the USSR which possessed great economic and military might. Consequently they broke political relations with China, while state relations declined to the lowest level. Looking back, this period in history actually lasted some 20 years.

With the changes in times, ideas, and leaders, the situation underwent gradual transformation. It is worthwhile mentioning here the year 1982. That year, shortly before his death, Soviet leader Brezhnev repeatedly expressed willingness to improve ties with China. Later events could show that this by no means small expression not only signalled a turning point for improving Soviet-Chinese ties, but also injected flexibility into relations between the five East European countries and China. At the same time, China began readjusting its foreign policy and implemented one based on independence and self-initiative, that is, it would not form any alliance with any superpower nor join military blocs. On handling relations with socialist states, China abandoned the existing formula or certain fixed pattern in treating the antiquated idealogies of foreign parties, and instead, respected their domestic guidelines and policies as well as the aspirations of their people.

In line with this spirit, China adhered to the principle of equal treatment for all, mutual respect and seeking common ground while reserving difference in its dealings with East European states in recent years. China respects the internal and external policies pursued by these countries, does not impose its views on others, and is ready to promote relations with them in a practical and realistic manner. Thus, this has further wiped out misgivings for the East European countries over developing ties with China.

Admittedly, the development of relations between the East European states and China cannot deviate from the issue of Soviet-China relations. It is not difficult to see that every time a slight improvement is made in Soviet-China relations, corresponding changes appear in the East European countries' relations with China. The leader Gorbachev made his speech at Vladivostok on 28 July this year. Needless to say, the development of relations between the five East European states and China would to a certain degree still be restricted by Soviet-China ties.

Henceforth, China's relations with the five East European countries will be further developed. Such development holds an excellent foundation and broad possibilities, particularly in the fields of economics, trade, sicience and technology where there are still great potentials. Undoubtedly, the visits by top level leaders from East European countries will provide new impetus to this development and open up wider prospects.

HSIN WAN PAO ON PARTY RELATIONS BETWEEN PRC, GDR

HK221105 Hong Kong HSIN WAN PAO in Chinese 22 Oct 86 p 2

["News Talk" column: "China and East Germany Will Reestablish Relations Between Parties"]

[Text] Beijing is entertaining a distinguished guest from Eastern Europe. He comes from East Germany and holds important posts both in the party and in the government. He is both general secretary of the Socialist Unity Party of East Germany and chairman of the East German Council of State.

Being different from others' visits in many aspects, Erich Honecker's current visit to China aroused people's particular attention.

First, it is the first visit to China by an East German party and government leader since China and East Germany established diplomatic relations 37 years ago.

Second, after Sino-Soviet relations toook a turn for the worse at the end of the 1950's, there were five countries in Eastern Europe (Hungary, Poland, Czechoslovakia, Bulgaria, and East Germany) which distanced themselves from China. It was not until China and the Soviet Union resumed contacts recently that leaders of the five countries visited China, one after another. Among these, Honecker is the last to visit China. His current visit means that the five East European countries have dispatched people to China one after another.

Third, the other people who visited China were not the supreme leaders of their countries. When Wojciech Jaruzelski, chairman of the Poland State Council, visited China last month, the XINHUA NEWS AGENCY reported that Jaruzelski had just "paid a working visit to China at the invitation of the Chinese Government." However, this time it said that Honecker "paid a formal, friendly visit to China at the invitation of General Secretary Hu Yaobang and President Li Xiannian...." "A formal, friendly visit" at the invitation of party and government leaders is different from the wording used to describe Jaruzelski's visit.

Last year Honecker was prepared to visit West Germany, but the visit failed to materialize due to Soviet opposition. This time before coming to China, he went to Moscow to have talks with Mikhail Gorbachev. All this is an eye-catching contrast.

Judging from the reception given to Honecker in Beijing, the first thing the two sides want to discuss is party relations. After his arrival yesterday, State President Li Xiannian presided over a welcoming ceremony and met with him. Then Hu Yaobang held talks with him on a limited scale and these talks are to continue today. Honecker will also meet with Deng Xiaoping, one source said.

Hu Yaobang met Honecker in 1953 when they were each in charge of the youth leagues of their own countries. Now, a generation has passed, and they have become general secretaries of the parties in power in their own countries.

Hu Yaobang said: China regards Honecker's visit to China as a great event which marks the entry of the friendship between the two countries, the two parties, and the two peoples into a new epoch.

To date, China has only maintained party-to-party relations with Romania and Yugoslavia. When Jaruzelski visited China, Hu Yaobang met with him. He said that the whole party and the people throughout the country welcome his visit to China. This demonstrated that there had been some improvement in the relations between the two parties and governments, but both sides never openly indicated whether they had fully reestablished other party relations. This time China and East Germany are likely to publish a document on the reestablishment of party relations between them. This is something that still cannot be obtained in Sino-Soviet relations.

Although new advances have been made in China' relations with East European countries, they are unlikely to be developed to the levels of the 1950's, as generally believed. It can be visualized that the exchanges in economic, cultural, and other fields will be strengthened, and China's far-flung [quan fang wei 0356 2455 0143] policy of opening up to the outside world will be further proved.

PRC, HUNGARIAN YOUTH GROUPS RESTORE CONTACT

OW220833 Beijing XINHUA in English 0636 GMT 22 Oct 86

[Text] Budapest, October 21 (XINHUA) -- Contact between Chinese and Hungarian youth organizations has been restored after a 22-years interruption, Chinese Youth League leader Liu Yandong said here today.

Liu Yandong, who leads a Chinese Communist Youth League delegation which arrived in Hungary October 12, called the visit a success and said Hungary's experience in economic reform is valuable to China.

When meeting with the Chinese delegation on October 17, Hungarian party leader Matyas Szuros said exchanges between the youth organizations of two countries conform with the purposes of the parties and with the interests of the two peoples.

The Chinese Youth League delegation left for Czechoslovakia today.

'SINO-ARAB DIALOGUE' CONTINUES IN AMMAN

PRC Delegate Addresses Group

OW181854 Beijing XINHUA English 1844 GMT 18 Oct 86

[Text] Amman, October 18 (XINHUA) -- China is in favour of convening an international peace conference on the Middle East under the auspices of the U.N., an official from the Chinese Foreign Ministry said at a meeting of the Jordan-sponsored "Sino-Arab dialogue" which started here today.

Lu Haicheng, who is also a member of the Chinese delegation taking part in the dialogue, added that the projected international peace conference should be attended by all parties involved in the Middle East conflict, including the Palestine Liberation Organization (PLO) and serve to uphold international justice and to achieve a comprehensive and just settlement of the issue of the Middle East and the Palestine.

She stressed that Israel must undertake obligations, give up its policy of aggression and expansion, make essential concessions, recognize the PLO simultaneously with the PLO's recognization of Israel and pursue peaceful coexistence with its neighbouring Arab countries.

Jordan Prince on PRC Role

OW190239 Beijing XINHUA in English 0211 GMT 19 Oct 86

["China -- Important to Middle East Peace, says Jordanian Crown Prince (by Rui Yingjie, Huang Xiaonan)" -- XINHUA headline]

[Text] Amman, October 18 (XINHUA) -- Jordanian Crown Prince Hasan Ibn Talal said here today that "China can play an important role in bringing peace to the war-ridden Middle East region."

He made this remark at a Jordan-sponsored "Sino-Arab dialogue," which started here today with an aim of promoting political and economic relations between China and the Arab world. Hasan, who is the sponsor of the two-day meeting, said that "We Arabs appreciate China's support for all just causes in the Third World, whether in Africa, Asia, or Latin America. China has always been on the right side of history."

The dialogue, the first of its kind, was organized by the Amman-based Arab thought forum, with the Jordanian crown prince as its president.

Hasan also suggested that Sino-Arab joint ventures be set up in the fields of trade, sea-faring, banking, industry, agriculture, construction and food processing. He added that cooperation could be expanded to include other Third World partners in both Asia and Africa.

A five-member Chinese delegation headed by Huan Xiang, director general of the Center of the International Affair of the Chinese State Council and senior Arab specialists in politics and economics from Jordan, Sudan, Egypt, Kuwait, Morocco, Iraq and Lebanon attended the meeting. Dr. Huan Xiang said, "The Arab nation is now in the forefront of the struggle for the preservation of world peace and justice. China always follows the developments in the region with keen interest and supports the Arab people in their struggle."

Referring to the Chinese-Arab economic ties, Huan Xiang said "there are still enormous potentials for them to expand."

Dr. Hashim Bahbahani, professor of political science from Kuwait University, made a 47-page speech reviewing China's support to the Arab peoples struggle for the national rights since the founding of New China in 1949. The professor also called on China for further aid to the Arab liberation movements and fronts.

Lu Haicheng, member of the Chinese delegation, said in her speech that China supports the proposal for an international peace conference to find out a just and comprehensive settlement for the middle east problem.

The Arab Thought Forum, founded in 1981, has held a series of significant meetings, including two Arab-American and an Arab-European dialogues. As an unofficial institution, the forum serves as an important advisory body to the governments of Arab states.

Meeting Ends, Statement Issued

OW200044 Beijing XINHUA in English 0031 GMT 20 Oct 86

[Text] Amman, October 19 (XINHUA) -- The Sino-Arab meeting ended here today after two-day discussion on international and regional issues of common interest.

Crown Prince Hasan of Jordan in his speech at the closing session of the meeting emphasized that the bilateral cooperation between China and the Arab world should not be limited to the economic field, but should extend to the fields of culture, information, education, and scientific research.

Papers presented by both sides at the meeting focused on the economic relations between China and the Arab world.

In his paper, Dr. Jawad Anani, [name as received] former minister of trade and industry of Jordan, suggested that both China and Arab states should improve the facilities for transportation and communication in order to promote trade exchange between both sides.

All participants hoped to make cooperation in various fields, especially to set up economic joint ventures using Arab capital and Chinese labour force within the framework of South-South cooperation.

A statement issued at the closing session this evening said that this meeting was very beneficial to the enhancement of friendship and mutual understanding between China and the Arab world and to the further development of Sino-Arab cooperation in the political, economic and cultural fields.

The statement said that the participants maintained that they should make joint efforts for the preservation of world peace and for the early achievement of peace, justice, and stability in the Mideast region.

The meeting was attended by a five-member Chinese scholars delegation and a number of senior Arab scholars from Jordan, Sudan, Egypt, Kuwait, Morocco, Iraq, and Lebanon. The next session was proposed to be held in Beijing.

SONG PING ARRIVES IN ZAMBIA FOR 1-WEEK VISIT

Welcomed at Airport

OW172009 Beijing XINHUA in English 1915 GMT 17 Oct 86

[Text] Lusaka, October 17 (XINHUA) -- Chinese State Councillor and Minister in Charge of State Planning Commission Song Ping and the delegation he is leading arrived here this afternoon for a week-long visit to Zambia.

Among those welcoming the Chinese guests at the airport were Zambian Secretary of State for Defence and Security A.K. Shapi, minister of works and supply H.Y. Mwale and other senior officials as well as Charge d'Affaires of the Chinese Embassy Wang Lian.

During their stay, Song Ping and his party will call on Zambian President Kenneth Kuanda, attend a hand-over ceremony of the Serenje-Mansa road built with Chinese aid, and hold talks with the Zambian Government officials concerned.

At the VIP room of the airport, Shapi told Song Ping that the Chinese delegations visit is at an important time when the Zambian people are celebrating their 22nd independence anniversary.

Song Ping said that China and Zambia enjoy friendly relations and wished the friendly cooperation between the two countries be further developed.

Kaunda Praises PRC Assistance

OW180500 Beijing XINHUA in English 0146 GMT 18 Oct 86

[Text] Lusaka, October 17 (XINHUA) -- Zambian President Kenneth Kaunda warmly praised China's assistance to Zambia this evening when he received the visiting Chinese State Councillor Song Ping and his party here.

Kaunda said that during the Zambian people's struggle for independence and against the Rhodesian white racist regime, "China gave us military aids. It also gave us a loan of 10 million U.S. dollars."

Since Zambia's independence, he added, China has also helped Zambia build many projects, including the Tanzania-Zambia Railway (Tazaral), thus making great contributions to Zambia's economic development.

He described China as an all-weather friend of Zambia and wished the Chinese delegation's visit complete success.

Song Ping, who is also Chinese minister in charge of State Planning Commission, conveyed to Kaunda warm greetings from the Chinese leaders and thanked the president's cordial reception to his delegation. He wished the friendly cooperation between the two countries be further developed.

Among those present on the occasion were Prime Minister K.S.K. Musokotwane, Secretary of State for Defence and Security A.K. Shapi and other high-ranking Zambian officials. After the meeting, Kaunda gave a dinner in honour of the Chinese guests.

Song Ping at Road Ceremony

OW210114 Beijing XINHUA in English 0102 GMT 21 Oct 86

[By Dong Chengbin]

[Text] Mansa, Zambia, October 20 (XINHUA) -- About 15,000 people attended a grand rally today near Samfya in Luapula Province, northeastern Zambia, to celebrate the completion and handing over the Serenje-Mansa Road built with Chinese assistance.

Addressing the ceremony, Zambian President Kenneth Kaunda called the completion of the Mansa-Samfya-Serenje Road a clear testimony of the good relations between China and history country. He added that this project, like another China-aided Tazara Railway, stands as a true joint venture between the two nations which maintain friendly relations.

The 330-kilometer road built with Chinese help is an important highway particularly to the remote Luapula Province. People in the province will now be able to drive to the capital of Lusaka in one day, avoiding long journeys around the northern provinces or via Zaire.

Song Ping, Chinese state councillor and leader of a visiting Chinese Government delegation, said that "the completion of this tarred highway is a great achievement in economic and technical cooperations between our two countries." Song also said he hoped that the road will greatly promote economic and cultural development in Luapula and central provinces in Zambia.

The Chinese councillor and Zambian Minister of Works and Supply Haswell Mwale also signed a hand-over and take-over certificate of the new road. [passage omitted]

Zambian Chief on Relations

OW230140 Beijing XINHUA in English 0121 GMT 23 Oct 86

[Excerpt] Lusaka, October 22 (XINHUA) -- A.G. Zulu, secretary-general of the Zambian United National Independence Party, today highly praised the very close and friendly relations between Zambia and China, when he received visiting Chinese State Councillor Song Ping in his Lusaka office.

Zulu told Song that the completion and handing-over of Serenje-Mansa Road with Chinese assistance "will strengthen our independence."

This road makes capital of Lusaka at last link with Luapula Province, in Zambia, he said, adding that in many areas including industry, communication, and agriculture, China has given Zambia assistance.

"We hope that you will broaden cooperation on agriculture with us," he noted.

On Mozambican President Samora Machel's death in the plane crash on Sunday evening in South Africa, Zulu said that situation in southern Africa was very serious, because all independent countries became attacking targets of South Africa.

"We, countries in the region, need supports from true friends like China," he stressed.

In reply, Song said: "the economic, technical and political cooperation between China and Zambia is brotherly and comradely." China held that assistance was mutual, he added.

"China is closely following development of the situation in southern Africa. The Chinese Government and people has stood and will stand forever on the side of African frontline states," he said. [passage omitted]

UN ENVOY STRESSES AFRICAN ECONOMIC DEVELOPMENT

OW230216 Beijing XINHUA in English 0145 GMT 23 Oct 86

[Text] United Nations, October 22 (XINHUA) -- Chinese Ambassador Li Luye today stressed the importance of creating favorable external conditions for the African countries to readjust their policies for economic development.

Speaking in a debate of the U.N. General Assembly on the critical economic situation in Africa, Li, China's permanent representative to the U.N., pointed out that efforts made by the African countries were seriously compromised by such factors as "the deterioration of terms of trade, the decline in commodity prices, a sharp decrease in the inflow of resources and a mounting debt burden."

On that debt problem particularly, he noted that many African countries found themselves unable to shake off the debt burden. The total amount of external debt composed of both the short-term debt and the accumulated areas, increased by sixfold from 1974 to 1985. The African countries have to devote half of their export income to debt servicing, he added.

Ambassador Li appealed to the parties concerned to consider seriously the debt issue of Africa.

During the past two years, the Chinese ambassador said, the economic conditions in Africa have been somewhat improved, but the overall situation there remains critical and calls for continued emergency relief efforts.

He held that urgent measures in favor of African countries should be taken in the following three aspects: An increase in the inflow of resources on concessional terms, lessening of the debt burden and stabilization of export income.

Li spoke highly of the U.N. efforts and commendable role in mobilizing the international community to deal with the critical economic situation in Africa.

However, he noted, much as to be done to implement the "U.N. Program of Action for African Economic Recovery and Development 1986-1990" adopted this year at a special session of the General Assembly.

Li declared that the Chinese Government has all along regarded it as an unshirkable international obligation to help the African people.

"We maintain the view that this help is mutual, for the recovery and development of Africa are a support for the Chinese people, and a prospering Africa is conducive to world peace and prosperity," he stated.

HU YAOBANG MEETS VENEZUELAN PARTY DELEGATION

OW171905 Beijing XINHUA in English 1600 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- Chinese Communist Party Central Committee General Secretary Hu Yaobang said here today that the fundamental cause of China's current reforms is that there is no model for socialist construction, which is still in practice and needs to be probed.

Hu said this during a meeting with a delegation from the Democratic Action Party of Venezuela led by its General Secretary Manuel Penalver. Hu said many foreign friends said China has done very well in its reforms. "As a matter of fact, we still have many problems yet to be resolved," he added. He also elicited suggestions from the Venezuelan visitors. [passage omitted]

After Penalver gave an account of the Contadora Groups efforts for a political settlement of the Central America question, Hu reaffirmed that China supports the groups propositions. [passage omitted]

ZHAO ZIYANG MEETS FORMER MEXICAN PRESIDENT

OW091735 Beijing XINHUA in English 1705 GMT 9 Oct 86

[Text] Beijing, October 9 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China has been engaged in reform for seven years and is planning to take another five years to set up the preliminary framework of the new structure.

Zhao made these remarks at a meeting with former Mexican President Luis Echeverria Alvarez and his party here this afternoon.

Echeverria, who is now Director of the Center of Economic and Social Studies of the Third World, said that the purpose of his visit is to acquaint himself with China's reforms. His center and many Latin-American countries are deeply interested in the reforms, he added.

Zhao predicted that the success of the reform could be achieved without suffering major twists and turns.

He said that since the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party in 1978 China has implemented the political line of adhering to its socialist system and at the same time carried out the reforms and the policy of opening to the outside world so as to build China into an advanced socialist country with Chinese characteristics. Zhao said some foreigners have described China's reforms and open policy as following capitalism of the West. But this is not in accord with the facts.

The recent resolution of the CPC Central Committee on the guiding principles for building socialist society with advanced culture and ideology shows that China will adhere to the socialist road and implement the reforms and the open policy.

Echeverria said that his center is greatly interested in changes taking place in China. He held that China's reforms will help it perfect its socialist system. The Mexican visitors arrived here earlier today at the invitation of the Chinese People's Institute for Foreign Affairs. This evening, president of the institute Han Nianlong gave a dinner for Echeverria and his party.

CPC ISSUES OFFICIAL OBITUARY FOR YE JIANYING

OW221930 Beijing XINHUA Domestic Service in Chinese 1211 GMT 22 Oct 86

[Text] Beijing, 22 Oct (XINHUA) — Obituary issued by the Central Committee of the Communist Party of China, the Standing Commitee of the National People's Congress of the People's Republic of China, the State Council of the People's Republic of China, and the Central Military Commission.

The Central Committee of the Communist Party of China, the Standing Committee of the National People's Congress of the People's Republic of China, the State Council of the People's Republic of China, and the Central Military Commission announce with deep grief that Comrade Ye Jianying, a long-tested loyal communist fighter, a great proletarian revolutionary, statesman, military strategist, one of the founders of the Chinese People's Liberation Army, and an exceptional leader who held important party and government posts over a long period of time, died in Beijing at 0116 on 22 October of an illness which failed to respond to medical treatment. He was 90.

Comrade Ye Jianying's life was a brilliant and militant one, during which he rendered immortal services to the party and the people. During his youth, he took part in the democratic revolution as an adherent to Dr Sun Yat-sen, took part in founding the Whampoa Military Academy, and became a noted leader of the Northern Expedition Army. When China's revolution was at its critical moment in 1927, he decisively joined the CPC, and contributed significantly to the launching of the Nanchang Uprising. Later, he, Zhang Tailei, and other comrades led the Guangzhou Uprising. During the Agrarian Revolutionary War, he served as member of the Central Military Commission and concurrently as director of the headquarters chief of staff and president of the Red Army School, making significant contributions to the development of the Red Army and to the victory of the wars against "encirclement and suppression." To safeguard party and army unite during the Long March, he carried out brave and resourceful struggles against Zhang Guotao, who conspired to harm the party Central Committee, thus rendering an outstanding service to the party. On the eve of the War of Resistance Against Japan, he assisted Comrade Zhou Enlai in the peaceful settlement of the Xian Incident and in promoting other KMT-CPC cooperation. During the War of Resistance Against Japan, he effectively carried out united front operations within the KMT-dominated areas, then he returned to Yanan to assume the post of chief of staff of the Military Commission and took part in commanding our Army in its fight against the Japanese. Following the war victory, he took part in negotiations with the KMT, waging a tit-for-tat struggle against KMT reactionaries who conspired to start a civil war. During the Liberation War, he assisted the Central Committee in leading a nationwide people's liberation war. After Peiping [name of Beijing before 1949] was peacefully liberated, he became its first mayor. Then, as the mammoth Liberation Army advanced southward, he commanded the campaigns to liberate Guangzhou and Hainan Island, and then directed the operation in southern China. Beginning from 1954, as one of the leaders of the Central Military Commission, he made outstanding contributions to the modernization and regularization of the Chinese Armed Forces, especially in the area of training, military science research, and upholding and developing Mao Zedong's Military Thought. Despite extremely difficult and complex conditions during the Cultural Revolution, he resourcefully carried out untiring struggles against the Lin Biao and Jiang Qing counterrevolutionary cliques. As early as February 1967, he and several other revolutionaries of the older generation strongly condemned Lin Biao and Jiang Qing for their activities that created chaos in the party and the Armed Forces. He played a decisive role in the struggle to crush the Jiang Qing counterrevolutionary clique in October 1976.

During the new historical period of socialist construction, he made prominent contributions to setting the correct line adopted by the 3d Plenary Session of the 11th CPC Central Committee, to implementing the policies of carrying out reforms and opening to the outside world, and to expediting the socialist modernization drive and the great cause of the peaceful reunification of the motherland.

In 1954, Comrade Ye Jianying served as vice chairman of the Revolutionary Military Council of the Central People's Government and vice chairman of the PRC Commission of National Defense. In 1955, he was awarded the military title of marshal of the People's Republic of China. He was a member of the 7th-12th CPC Central Committees. During the 11th Plenary Session of the 8th CPC Central Committee, he was elected member of the Political Bureau of the CPC Central Committee. He was member of the Political Bureau of the 9th-12th CPC Central Committees, vice chairman of the 10th and 11th CPC Central Committees, and member of the Standing Committee of the Political Bureau of the 12th CPC Central Committee. In 1978 he was elected chairman of the 5th NPC Standing Committee. For age and health reasons, in 1983 he requested that he be relieved from the post of chairman of the NPC Standing Committee. In 1985, he resigned from the leading offices of party, government, and military organizations.

During his illness, Comrade Ye Jianying still constantly concerned himself with major party and state policies, and sincerely supported those comrades working in the front lines. He also had earnestly expresses on many occasions the Chinese people's common aspirations for achieving national reunification; this became a wish that Comrade Ye Jianying had long cherished but could not fulfill in his life.

The death of Comrade Ye Jianying is a tremendous loss to our party, Armed Forces, and the Chinese people. We should turn grief into strength. We should emulate his spirit of dedicating himself to struggling for the communist cause, emlulate his nigh sense of principle and the extraordinary revolutionary bravery he displayed in safeguarding the interests of the party and the people during the course of complex struggle. We should emulate his eagerness to learn and think, his modesty, his cautiousness, and his noble traits of taking the overall situation into account and forging unity among fellow comrades and, under the leadership of the party Central Committee, strive to build China into a highly civilized and highly democratic socialist modern country.

Eternal glory to Comrade Ye Jianying, a great proletarian revolutionary, statesman, and military strategist!

HONGQI ON SPIRITUAL CIVILIZATION DOCUMENT

HK170613 Beijing HONGQI in Chinese No 19, 1 Oct 86, pp 16-18

[Editorial: "A Major Event That Has a Bearing on the Rise of Decline and the Success or Failure of Socialism"]

[Text] The 6th Plenary Session of the 12th CPC Central Committee adopted the "CPC Central Committee Resolution on the Guiding Principles for Building Socialist Spiritual Civilization." Like the decision on economic structure reform adopted by the 3d Plenary Session of the Central Committee, this resolution also proceeds from the realities of our country and applies and develops the basic principles of Marxism. On the basis of the 12th CPC National Congress' strategic decision of building material civilization and socialist spiritual civilization at the same time and the spirit of the party national delegate conference in 1985, the resolution sums up the experience in recent years and systematically expounds the basic issue of buliding socialist spiritual civilization in light of the requirements of the development of all-round reform. [paragraph continues]

From the high level of the overall interests of our socialist modernization cause, the resolution further ascertains the strategic position of socialist spiritual civilization, accurately points out the basic guiding principles and basic tasks for building socialist spiritual civilization, and profoundly proves the guiding role of Marxism in the building of socialist spiritual civilization. This programmatic document fully embodies the correct orientation of adhering to the four basic principles and promoting reform and opening up. Seriously studying and implementing this document will certainly give a great impetus to and exert far-reaching influence on advancing the cause of building socialism with Chinese characteristics in all round-way.

The resolution emphatically points out: "The general program for our country's socialist modernization construction is: Taking economic development as the key link, firmly carrying on economic and political structural reforms, firmly strengthening the building of spiritual civilization, and making sure that these are coordinated and mutually complementary." This genral program was formulated after we underwent many twists and turns, paid heavy costs, and summed up both positive and negative experiences. It will be a general guideline for our work in all fields for a rather long period to come. Only by working in line with this general program can we smoothly realize the struggle objective by the end of this century, as the 12th CPC National Congress called for, and can we build ours into a socialist modern country with a high degree of civilization and democracy. All comrades in our party should unify their thinking and action on the basis of this general program and do effective work to develop spiritual civilization while concentrating on economic construction and doing a good job in structural reforms.

In recent years, we have made substantial progress in building spiritual civilization and have created a new situation in many fields. This is the mainstream. At the same time, we should also notice that many things in our cultural and ideological construction are still not suited to the development of our socialist modernization construction and the situation of reform and opening up, and that many problems have yet to bve seriously settled. There are many reasons for such problems, but the main reason is that many comrades have not yet fully understood the strategic position of spiritual civilization construction, the urgency, arduousness, and protracted nature of this work, and in particular, the fact that building spiritual civilization is an important matter which has a bearing on the rise or decline and the success or failure of the socialist cause.

Over a long period in the past, we neglected the development of productive forces, and this caused great losses to our party, our state, and our people. The great historical achievement of the 3d Plenary Session of the 11th CPC Central Committee was its decision on resolutely shifting the focus of our work to economic development and modernization construction. Without this decision, we would not have today's good situation. By concentrating on economic construction, we do not mean that spiritual civilization is not important. The development of socialist spiritual civilization under the guidance of Marxism is an important characteristic of socialist society. Material poverty is not socialism; spiritual poverty is not socialism either. Achieving a high degree of civilization and democracy is a great objective in our efforts to build socialism. A high degree of civilization includes a high degree of material civilization, as well as a high degree of spiritual civilization. A high degree of democracy is also an important embodiment of socialist spiritual civilization in our state and social life. The work of building spiritual civilization includes using a common ideal to mobilize and unite the people of all nationalities, establishing and carrying out socialist morals, strengthening socialist democracy and the socialist legal system, conducting discipline education, and popularizing and improving education, science, and culture throughout the nation. Its fundamental task is to cultivate socialist citizens with a lofty ideal, moral integrity, good education conditions, and a sense of discipline in light of the requirements of socialist modernization so as to raise the moral and cultural quality of the entire Chinese nation. To build such spiritual civilization, we first need the development of material civilization, which provides material conditions and practical experience. At the same time, spiritual civilization in turn provides a motive force and intellectual support for material civilization development and provides an effective ideological guarantee for the correct orientation of material civilization development.

Under the new situation of all-round reform and opening up to the outsie world, it is more urgent and important to step up the building of spiritual civilization. Our practice since the 3d Plenary Session of the 11th CPC Central Committee shows that reform and opening up not only have brought about economic prosperity, but have also given a great impetus to the building of spiritual civilization. With the changes in the ownership structure and forms of operation, the reforms of the management and distribution systems, the development of the commodity economy and business competition, and the expansion of domestic and foreign economic intercourse, people have also enlivened their thoughts, broadened their vision, raised their enthusiasm in learning science and cultural knowledge, and increased their creativity and initiative. There are many positive changes in human relations, in life style, in moral and values, and in mentalities. While fully confirming this, we must also notice that reform and opening up have also brought about new conditions and questions to the construction of spirtual civilization and have put higher requirements on it.

As reform is an extensive, profound, and protracted social revolution on a large scale, it will inevitably touch and adjust people's interests, and will inevitably bring about sharp contradictions with outmoded traditional concepts and habitual forces. Because feudal society lasted for a very long time in our country, feudalist ideology still has a deep influence. The patriarchal clan mentality, the special privilege mentality, the autocratic work style, the closed mentality, the idea of looking down on commerce and science, and the lack of a tradition of democracy and rule by law all obstruct reform and opening up. Because our country also experienced more than 100 years of semi-colonial and semi-feudal society, the servile mentality and decadent bourgeois ideology also have a deep influence. They may join hands with the decadent feudal ideology to maintain their influence. In the course of opening up, external capitalist ideology may also make inroads into our country. Therefore, it is unavoidable that such ideas and deeds as benefiting oneself at the expense of other people and the public interest, worshiping money, using one's power and public office to pursue private gains, and even deceiving and blackmailing may appear, and that some people may blindly worship the philosophies and social theories of the bourgeoisie. All this also obstructs reform and opening up. We must remove these obstacles to reform and opening up through building spiritual civilization so as to promote the smooth and healthy development of reform and opening up.

All-round reform is a brand-new and creative cause in a large country with a population of 1 billion people, so its scale and depth are unprecedented. We must have the explorative spirit and pioneering courage to develop reform theory and practice. All-round reform needs the support of the whole people. Therefore, we should cultivate the mentalities, ideas, and culture which are suited to the needs of reform among the people, so as to arouse their enthusiasm for participating in the reform. All-round reform also needs a united, harmonious, and orderly social environment; a further expanded socialist democracy; and a sound socialist legal system so that the people can work with full cooperation and with unity of purpose. All this can be realized only through strengthening our spiritual civilization.

To build socialist civilization, we must adhere to the guiding principles of Marxism, Leninism, and Mao Zedong Thought. Each stage of human history has its special spiritual civilization; that under the guidance of Marxism is spiritual civilization of the socialist era. Marxism itself is a great achievement of all mankind's spiritual civilization, and it is also the scientific world outlook of the working class. Only by adhering to the guidelines of Marxism can we correctly appraise and analyze foreign culture so as to assimilate its valuable essence and reject its dross.

Only thus can we correctly solve various new questions in the course of reform, opening up, and modernization and use Marxism to overcome the influence of the decadent capitalist and feudalist ideology, rather than using feudalism to oppose capitalism or using capitalism to opposing feudalism. In order to adhere to Marxism, our party members and cadres, especially leading cadres and cadres responsible for ideological work, must take the lead in seriously studying Marxism and put what they advocate into practice. They should set an example in maintaining a good party style and at the same time, use their exemplary actions to influence the whole society and make painstaking efforts to promote spiritual civilization.

Our spiritual civilization construction must be suited to the new and higher requirements of reform and opening up so as to create opinion, values, cultural conditions, and a social environment favorable to socialist modernization and all-round reform; to effectively resist the influence of the decadent capitalist and feudalist ideology; to prevent the danger of losing our bearing; and to arouse the enthusiasm and creativity of the people of all nationalities to buid a socialist modern power through efforts of several generations. Whether we can do this or not is a major historic test for us. It is certain that we can successfully pass this test, because our people support the four basic principles; support reform and opening up; firmly believe in the correctness of the line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee; and are united closely around the party. Under the leadership of the party, so long as we can rely on the joint efforts of the people and continuously advance our spiritual civilization, which can promote our modernization cause, all-round reform, opening up to the outside world, and maintenance of the four basic principles, we will certainly be able to achieve our great objective.

LIAOWANG COMMENTS ON CENTRAL RESOLUTION

HK220934 Beijing LIAOWANG in Chinese No 40, 6 Oct 86 p 4

[Commentator's article: "Hold High the Banner of Unity and Construction"]

[Text] The 6th Plenary Session of the Central Committee has successfully concluded. The resolution on the guiding principles for the building of spiritual civilization adopted at the recent session is a great strategic decision of long-range importance. Now we can say the general layout for China's socialist modernization is made complete, namely, to resolutely carry out the economic structural reform, to resolutely carry out the political structural reform, and to work hard to strengthen the building of spiritual civilization. Such a general layout with the three aspects combined in one will inevitably speed up China's modernization and guarantee the fullfilment of the great target proposed at the 12th CPC National Congress.

Strengthening socialist spiritual civilization during the new historical stage involves all areas. This has a bearing on the basic interest of the people of all nationalities of China as well as the success or failure of socialism in the country; and its effects are as important as far-reaching. The resolution expounds on the strategic role of building spiritual civilization, and lays special stress on the point that building spiritual civilization during the new historical stage in China must be a spiritual civilization that will push forward socialist modernization, promote all-round reform and opening up to the world, and adhere to the four cardinal principles.

In expounding on the basic task of building spiritual civilization, the resolution explicity proposes to help people to become well educated and self-disciplined socialist citizens with lofty ideals and moral integrity, and to raise the ideological and ethical standards of the whole nation as well as its educational and scientific levels, and the basic requirements and orientation for lofty ideals, ethics, education, science, democracy, the legal system as well as theory. Therefore, in building spiritual civilization, the whole party and the people throughout the country should focus their attention on uniting the people, and bringing into full play the initiative and creativity of the people, and the efforts to meet the people's cultural and spiritual needs and the efforts to strengthen ideological and ethical construction as well as the construction of education, science and culture.

A clear-cut guiding idea that runs through the resolution is that the starting point and basis of the entire work of building spiritual civilization is the urge to unite closely the people of all nationalities throughout China on the widest level, to adhere to all-round reform and opening up to the world, and to build a modernized socialist country with concerted efforts in one's heart and soul. To generalize, it boils down to unity and construction. If we hold high the banner of unity and construction, our nation will surely prosper and so will our country.

A correct and important resolution is now drawn up. Facing people is the task of translating the resolution into action, and implementing the guiding principle of the building of spiritual civilization in all areas of work in every field and trade. Shall we make the following proposals? First, it is necessary to earnestly study and grasp the essential spirit of the resolution. In recent years, we have often suffered from a weakness, namely, we often implemented some important strategic decisions of the Central Committee in haste, without first having a thorough understanding of them, and the situation could be ghastly with the central spirit distorted, the people lead astray, and our cadres suffering from failure, and our work, from losses. This time, we should first sit down and study the resolution in real earnest, and read it through several times, word by word, sentence by sentence, in order to have a good grasp of the essentials of the document, by linking them with the actual conditions. We may discuss those points which we are not quite clear about. Our masses and party members should do so; the more so should our leading cadres. Second, it is an arduous task involving long-term unremitting efforts to raise the ideological and ethical standards of the whole nation as well as its educational and scientific levels. This requires the drawing up of a practical and feasible plan and linking it with the actual conditions of all localities, trades, and departments, then carrying it out in a down-to-earth manner. Therefore, those practices of formalism, and rushing headlong into mass action are undesirable. And third, it is necessary to take a good grasp of the two principles, namely, the adherence to the four cardinal principles and the adherence to reform and opening up. All lavish talk about the building of spiritual civilization deviating from these two principles will only lead people astray. Neither of these two principles is dispensable.

The important resolution of the Central Committee on the building of spiritual civilization will inevitably exert tremendous effects on the social life of the Chinese people. Our target is to build China into a nation with a "comparatively well-off" living standard by the end of the year 2000; and a modernized socialist country with an economic level approaching the world's developed countries with a prosperous civilization by the mid-20th century. A common target of our struggle is the unanimous political, moral, and spiritual unity of the people of all nationalities of China. Let us strive under the guidance of this resolution. A prosperous, modernized socialist country with Chinese characteristics and a high level of material and spiritual civilization will eventually rise from the East.

WANG RUOSHUI STRESSES CONSTITUTION, FREEDOM

HK230635 Hong Kong MING PAO in Chinese 21 Oct 86 p 5

["Special Dispatch" From Beijing: "Philosopher Wang Ruoshui Stresses: The Party Must Conform to the Constitution and the Constitution Must Protect Freedom"]

[Text] Chinese philosopher Wang Ruoshui said recently: The party must conform to the Constitution. It is imperative to use the authority of the Constitution to protect academic freedom.

According to SHEHUIKE YANJIU CANKAO ZILIAO [REFERENCE MATERIAL FOR THE STUDY OF SOCIOLOGY], philosopher Wang Ruoshui stressed: Freedom of scientific study, freedom of creative work, and academic freedom are citizens' basic rights bestowed by the Chinese Constitution and are inalienable freedoms.

He added: We should make proper distinction between learning and politics. Political issues can also be discussed. The new Constitution was drawn up on the basis of discussion by all the people; why is it that the people cannot be allowed to freely discuss political issues? Freedom of speech should include free discussion on political issues. This is a basic right of our citizens.

This philosopher said: In developing academic freedom and freedom of speech, it is very important to allow the minority to reserve differences of opinion. Allowing countercriticism and getting rid of rude criticism are of greater importance. Academic and ideological issues require testing by time and history. It is advisable to pass verdicts upon academic and ideological issues through adminitrative means.

Wang Ruoshui said: Criticism is incompatible with dogma. The great majority of the criticisms conducted over the past 30 years and more led to dogmatism and there was hardly any correct criticism. One of the profound lessons is that administrative leaders rashly passed verdict upon academic and ideological issues. People are prone to pay attention only to certain leaders' speeches and often forget the Constitution. This shows a lack of sense of the legal system.

He stressed: The Constitution is the supreme authority and the party must also conform to the Constitution. The "16 May Circular," issued during the Cultural Revolution, completely negated the PRC Constitution and the party Constitution. This lesson from our past bitter experience should not be repeated. We must use the authority of the Constitution to protect academic freedom and fight resolutely against unconstitutional acts.

HU YAOBANG CHAIRS LONG MARCH ANNIVERSARY RALLY

OW221343 Beijing XINHUA in English 1323 GMT Oct 86

[Text] Beijing, October 22 (XINHUA) — More than 6,000 people met in the Great Hall of the People today to commemorate the 50th anniversary of the Red Army's Long March from southeast to northwest China.

At the meeting, presided over by Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, a senior party and military leader called the 1934-1936 march a "great event in the history of the Chinese Revolution."

Yang Shangkun, a member of the Political Bureau of the party Central Committee and vice-chairman of the Central Military Commission, said the significance of the revolutionary heroism demonstrated during the Long March "reaches far beyond time and national boundary. It is an unparalleled monument to the heroic possibilities of humankind."

During the Long March, the Communist Party led an army of workers and peasants 12,500 kilometers across 11 provinces, from Jiangxi, in 1934 the base of the Chinese Revolution, to northern Shaanxi. The march was difficult and required the Red Army to break through a blockade organized by the reactionary forces of Chiang Kai-shek, ushering in a new phase in the Chinese Revolution.

More than 30,000 soldiers and cadres -- the "backbone of our forces" -- survived Chiang Kai-shek's plot to exterminate the Red Army, said Yang.

"We review the history of the Long March in order to honor the past and learn for the future," he said. "We must carry forward the spirit of the Long March, forging a new path with our contributions to the ongoing economic reform and China's socialist construction."

To have the "Long March spirit," according to Yang, "is to have unshakable faith in the cause and ideals of our revolution, to fear no sacrifice or hardship, to analyze situations impartially, and to serve the people heart and soul."

He urged party members, soldiers in the People's Liberation Army and all other Chinese to carry forward the Long March spirit and strive together for China's modernization.

In this project, he said, Army officers and soldiers "should take the lead in contributing to the country's material development and to the building of a socialist society with advanced culture and ideology."

Yang Benli, a Beijing bus conductor who has been cited as a "pathfinder of the new Long March," promised on behalf of the country's young people to "live up to the expectations of the older generation to advance on the path of socialist modernization."

After Hu Yaobang opened the meeting, he asked all present to pay silent tribute to Marshal Ye Jianying, who died early this morning. Ye participated in the Long March as a senior officer.

More than 2,900 veterans of the Long March are still alive, according to military officials.

LIAOWANG ON DALIAN NAVAL VESSELS COLLEGE

HK221123 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 41, 13 Oct 86

[Article by Liu Zhaoyi (0491 0340 5030) and Zhang Jingdao (1728 2529 6670): "The Cradle of Chinese Naval Officers -- A Visit to the Dalian Naval Vessels College"]

[Excerpts] Known as the cradle of Chinese naval officers, the Dalian Naval Vessels College is situated in Laohu Beach, which is a scenic seashore spot in Dalian City. [paragraph continues]

With neat rows of tall buildings among verdant trees, this college has produced over 10,000 graduates over the lat 37 years, who have already made important contributions to the Chinese Navy and related fields.

At present, the college has over 2,300 students attending 4-year courses in its navigational, artillery, marine weapon, missiles, radar communications and oceanic-mapping departments. Most of the students are selected from the best academically qualified high-school graduates of good character in the whole country; only a small number of them are chosen from the armed services. They must not only systematically study over 30 basic courses and relevant vocational courses, but must also go through rigorous physical training and marine drills.

This college has a well qualified contingent of teachers. Of the 542 teachers, 125 are professors and associate professors. Since 1978, centering around teaching scientific research, the college has completed nearly 200 items of scientific research, of which over 30 items have won PLA awards for scientific and technological achievement and the national awards for scientific inventions. At present, over 30 scientific and technological achievements have been used in teaching, and over 50 technical renovations and achievements of scientific and technological invention and creation have been introduced to the army. [passage omitted]

The Dalian Naval Vessels College is the first regular school in New China for training Naval officers. It was set up on 22 November 1969, only a month or so after the establishment of New China. At that time the college was called the Dalian Naval School. The president of the college was the Naval Commander Xiao Jingguang, and the vice-president of the college was Zhang Xuesi, who was the brother of General Zhang Xueliang and later became the deputy-commander. The current president of the school is Feng Hongda, the youngest son of General Feng Yuxiang.

Most of the leaders at all levels in the college have attained the cultural level of college education, have worked for the Navy for a long time, and are familiar with vocational work. Born in Tianjin in 1930, Feng Hongda, after his graduation from Huaxi Middle School in Chengdu, went with Feng Yuxiang to the United States in 1947. The following year, he went to the Soviet Union to study in the Baku Naval Command School. After graduating he returned to China in 1953 and has been working for the Navy ever since. He once served as a captain on a destroyer and then worked for many years in fleet or Navy command organs. In August 1983, he was appointed vice-president of the Dalian Naval Vessels College, and the September of last year he was appointed president. [passage omitted]

While talking about the future plans of the college, Feng Hongda pointed out that modern troops should first grasp equipment, and second, the training of talented people. The college should continue to train regular and modern officers for the Chinese Navy. They will become the leading backbone of the Chinese Navy. Efforts should also be made in the teaching reform and in the teaching of basic lessons, so as to give the graduates not only vigor but also reserved potentials.

EXHIBITION ON NUCLEAR THREAT, ENERGY OPENS

OW212117 Beijing XINHUA in English 1518 GMT 21 Oct 86

[Text] Beijing, October 21 (XINHUA) -- An exhibition titled "The Threat of Nuclear War -- the Peaceful Uses of Nuclear Energy" opened at the Museum of Chinese Revolution here today.

The exhibition is cosponsored by the United Nations Department of Public Information and Soka Gakkai of Japan, a non-governmental organization dedicated to world peace.

More than three hundred people attended the opening ceremony, including Chinese leaders Li Peng, Wang Zhaoguo, Chu Tunan, Zhao Puchu, Dr. Leo Teller, representative of UNESCO, and Mr. Yamazaki Hisami, vice-president of the Soka Qakkai of Japan.

First held at the United Nations headquarters in New York in June, 1982, the exhibition has been on tour of 15 major cities in 12 countries.

The ten-day exhibition is divided into three parts, the threat of nuclear arms -- from disarmament to development, the peaceful uses of nuclear energy and a display on how objects are affected by nuclear radiation. Also on show is an exhibit of "peace paintings" by Chinese and Japanese youth.

The honorary president of the Soka Gakkai, Daisaku Ikeda, sent a message of congratulations to the opening ceremony. He said he was greatly honored to be presented with the "peace and friendship cup" by the Chinese People's Association for Friendship with Foreign Countries and the China-Japan Friendship Association. He said he would do his best to promote friendship between Japan and China and global peace.

In his speech, the Chinese association president, Zhang Wenjin, said the exhibit contributed to the program of activities during the International Year of Peace.

Zhang said nuclear energy could be used by irresponsible powers to unleash a nuclear war which would bring untold sufferings to humanity. He also noted, however, that nuclear power could be used for peaceful purposes to benefit mankind.

He said the Chinese people, who love peace and firmly oppose nuclear war, are ready to cooperate extensively with the international community and work toward the complete prohibition and thorough destruction of nuclear weapons in order to safeguard world peace.

ZHAO ZIYANG ON FIRMS IN SPECIAL ECONOMIC ZONES

HK220836 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1301 GMT 20 Oct 86

[Report: "Zhao Ziyang Says That in Building Factories in the Special Economic Zone, One Cannot Mechanically Copy Hinterland Practice"]

[Text] Hong Kong, 20 October (ZHONGGUO TONGXUN SHE) -- New from Guangzhou: On 18 October while visiting the Zhuhai Compressor Plant, a joint venture in Zhuhai, Zhao Ziyang said that in building factories in the special economic zones, one should not mechanically copy from the hinterland practices.

In the meeting room of the plant, Zhao Ziyang said that in building factories in the special economic zones, one cannot mechanically copy the management methods and experiences of the hinterland, but should make strenuous efforts to improve the management and operation of the enterprises in the special economic zones and increase the economic results of the enterprises in the special economic zones.

If the enterprises in the special economic zones can really do this, the salaries of the workers and staff members can be raised. Since they get higher salaries, the staff and workers of the enterprises in the special economic zones should do more work and should not carry out the practice of "eating from the same big pot" and the practice of "holding the iron rice bowl." Zhao said that the most terrible thing would be if the enterprises in the special economic zones, which are of the same type as those in the hinterland, operate in the same way as those in the hinterland but pay the higher salaries of the special economic zone. If a worker cannot do his job well, he should be dismissed. If a worker cannot perform his duties successfully, he should be transferred to another post and be paid less. The joint venture enterprises might do better in this respect. Gerich has been running a factory very efficiently in Wuhan. However, the enterprises with Chinese investment have not done so well in this respect.

Zhao Ziyang said to the leaders of Zhuhai City that every factory should be strictly examined and supervised. Those factories which carry out the practice of "eating from the same pot" must stop carrying out such practices and practically improve their management and administration so as to increase their economic results. Zhao said: This time, we do not go to Shenzhen. So I ask you to relay this idea to Shenzhen. All the special economic zones should do things in this way. All the enterprises established by the hinterland in the special economic zones should do things in this way and must learn the advanced management experiences of foreign countries and run enterprises according to the methods of the speical economic zones, and should not mechanically copy from the hinterland's practices. If the enterprises in the special economic zones are run according to the methods of the hinderland, the special economic zones should not be called the special economic zones. The opinion of mind does not apply to Zhuhai only.

Zhao Ziyang expressed his satisfaction over Zhuhai's implementation of the central authorities' policy of macroscopic control and microspcopic invigoration. He said that in less than 2 years between his last visit to Zhuhai and this visit, many projects have been constructed and great changes have taken place. The development of Zhuhai has been very fast. Zhao hoped that Zhuhai will continue to make headway in this respect with redoubled efforts.

Zhao Ziyang arrived in Zhuhai from the Zhongshan Hot Spring on the morning of 18 October. In Zhuhai, Zhao Ziyang visited the Zhuhai Compressor Plant, Zhuhai Brewery, newly built Zhuhai Injector Factor, Zhuhai Resort Villas and the deepwater wharf of the Jiuzhou Port. Zhao also had a look at the city. On the same day, Zhao Ziyang also listened to the work reports made by Liang Guangda, mayor of Zhuhai, and some other leaders of Zhuhai City. In the evening, Ma Wanqi, a well-known personage from Macao, invited Zhao to a banquet in honor of him in the Shijingshan Tourist Center

RENMIN RIBAO DISCUSSES FACTORY DIRECTOR REFORM

OW071817 Beijing XINHUA in English 1558 GMT 7 Oct 86

[Text] Beijing, October 7 (XINHUA) -- Though its policy of giving full responsibility to factory directors has come up against some problems, China should resolutely carry on with this current "experimental project."

In a bylined review carried in today's PEOPLE'S DAILY, on the current two-year old reform, Ai Feng, the paper's senior reporter, who had just attended a seminar on the new system held by the State Economic Commission, said that ths reform, which was decided upon after long deliberation, should be carried on.

In 1984 China began to experiment with the policy which enables factory directors to have the final say in factory matters instead of the Communist Party secretary, who had been the decision-maker since the mid-1950s.

However, the reform has been confronted with these problems over the past two years, the article pointed out. By the end of 1984, some factories or enterprises lost control of the allotment of bonuses and material rewards.

The second problem came in the summer of 1985, when some people blamed the directors for making the wrong decisions. At the beginning of this year, criticism arose again, charging that some factory directors had abused their power in handling personnel affairs.

But the review said that experience had proved that irregularities in bonuses were not the inevitable outcome of the reform, and pointed out that many other factories where the system had not been implemented had also made similar mistakes.

As for "abusing power" in personnel affairs, the article said it is not so serious as the critics make out. According to a survey of 21 factories which have been practising the system in Dalian, a port city in the northeast, unqualified cadres number only 14 among 723 appointed or promoted by the directors.

In Shenyang, capital of Liaoning Province, the workers in 141 factories rated six of their 1,138 cadres as unsuitable during a public assessment, the review said.

The most powerful charge is that the new practice has greatly weakened the party's work in enterprises, but the review denied the charge by providing some other examples: In 1984, 118 staff workers in the Dalian Heavy Machinery Factory applied to join the Communist Party and in 1985, the number reached 262, and this year, 419.

The factories which are practising the new system have also seen their output increase by a large margin compared with other factories keeping the old system, the review said, adding that during the first half of this year, Beijing's factories practising the new system increased their output by 6.8 percent compared with last year, while other factories only increased theirs by 1.3 percent.

Practice has indicated the necessity of the system which "is still facing tests and challenges extensively and intensively, but we should carry it through to complete success," the review concluded.

GU MING FOCUSES ON DIRECTOR REFORM PROGRAM

HK230422 Beijing CHINA DAILY in English 23 Oct 86 p 1

[By staff reporter Liu Dizhong]

[Text] China is ready to expand the system aimed at increasing the decision-making powers of business management to all its State-owned industrial enterprises.

Part of the current nationwide economic reform in urban areas, the manager responsibility system is now being tried out in 27,000 industrial enterprises in six major cities and has proven effective in promoting production over the past three years.

Three regulations were issued recently by the Central Committee of the Party and the State Council to push managerial reform to ensure that directors and managers have total responsibiity for production.

The trial program will be extended and plans have been made to introduce the new system to all 86,000 State industrial enterprises throughout the country in next two years, Gu Ming, head of the Economic Legislation Research Center under the State Council told CHINA DAILY.

The new regulations stress the separate functions of the Party and enterprise administration, which has been under the collective leadership of the Party committee for decades.

The overlapping of Party and administrative leadership caused too much bureaucracy and inefficiency which produced an adverse impact on production and workers' enthusiasm, Gu said.

Although every enterprise will set up a management committee consisting of representatives of the Party committee, the Trade Union and Young League, the firm's director or manager, under the new regulations, will have the final say on the major issues of the production and operational management.

All directors are appointed by higher authorities after full consideration of the opinion of staff workers, but the new regulation will ensure the manager's right to form his own "cabinet" by nominating deputy directors and appointing heads of administrative and technical departments.

The new regulations will further strengthen the function of the workers and staff congresses in examining the major issues of the enterprises, supervising the work of leading bodies and protecting the rights and interests of the workers.

The regulations urge the directors to conscientiously participate in review of their performance by Party and worker organizations.

Success of this managerial reform, Gu said, greatly depended on enhancing the directors' and managers' abilities. Over the past three years, more than 104,000 directors and managers, or 52 per cent of all the nation's major and medium-sized industrial enterprise bosses, have taken training courses and passed examinations on modern enterprise managemente organized by the State Economic Planning Committee.

Most of the directors in the 27,000 experimental reform enterprises are now fully qualified and about 90 per cent of these enterprises have improved their economic results, Gu said.

NATIONAL POPULATION PLANNING MEETING CLOSES

OW220942 Beijing XINHUA in English 0804 GMT 22 Oct 86

[Text] Nanjing, October 22 (XINHUA) -- More and more couples in China are giving up the idea of "the more children, the happier" and accepting the government's one-child policy.

At a national population planning meeting which closed today in Zhangjiagang, in east China's Jiangsu Province, a government official reported, "over 24 million Chinese couples who have reached child-bearing age have opted to have one child."

Since the government began enforcing its one-child policy in 1980, population growth has been cut by 100 million.

Many regions have set up evening schools and family planning centers to offer advice on birth-control measures. In addition, more retirement homes and kindergartens have been set up to relieve strain on households.

RENMIN RIBAO HIGHLIGHTS BUYING, SELLING GRAIN

HK221041 Beijing RENMIN RIBAO in Chinese 16 Oct 86 p 2

[Article by Yao Yilin (1202 0181 2651): "It Is Imperative To Firmly Grasp the Question of Grain — Preface to 'Grain Work in Contemporary China' (dang dai zhong guo di liang shi gong zuo 3981 0108 0022 0948 4104 9037 7380 1562 0155)]

[Text] The work of buying and selling grain in New China has gone through difficulties and setbacks, and we have gained rich experience and lessons in this field since the founding of our People's Republic more than 30 years ago. By and large this work can be divided into three stages: During the initial stage, right after the founding of our People's Republic, we implemented the policy of free buying and selling under the leadership of state-operated commerce; from 1953 to 1954, we implemented the policy of state monopoly for purchase and marketing of grain; and from 1985 to the present, we have been implementing the policy of signing grain contracts for purchasing fixed quotas. The policy of state monopoly for purchase and marketing of grain was implemented over the longest period of time, and this policy's specific rules were tightened up or relaxed from time to time. Generally speaking, during the initial stage of the implementation of this policy, its rules were relatively relaxed. Later the rules were tightened up gradually. However, the rules were gradually relaxed again following the 3d Plenary Session of the 11th CPC Central Committee. Changes in China's policy of buying and selling grain were made mainly on the basis of the country's grain output. In other words, they were made mainly on the basis of the country's per capita amount of grain.

China has scored great achievements in reforming rural economic systems since 1979, thus achieving a big increase in grain output. China's grain output in 1978 was about 600 billion jin, meaning that the per capita amount of grain was about 600 jin. China's grain output in 1984 was about 800 billion jin, meaning that the per capita amount of grain was about 800 jin. Within a short period of 6 years, China managed to achieve a big increase in grain output and in the per capita amount of grain. Thus, China turned itself from a country with insufficient grain into a country that is self-sufficient in grain, and this enabled the great majority of its 1 billion people to have enough to eat and wear. This is a great achievement which nobody in the world can deny. Of course, certain necessary changes and reforms must be made in China's policy of buying and selling grain and in its system of grain departments in order to adapt them to these new circumstances, further promote the development of grain production, and make things convenient for the people's livelihood.

At present, China is self-sufficient in grain. Every year, China exports some types of grain and imports some types of grain; the export volume is roughly equal to the import volume. The primary purpose is to regulate varieties of grain. Such exports and imports can also cut down transport expenses. At present, although the Chinese people's daily intake of calories from food is not low, the whole protein content of their food is still on the low side. [paragraph continues]

China's animal husbandry and livestock farming remain to be further developed, and the consumption of grain used as feed will be further increased. Therefore, the current self-sufficiency can only be regarded as a low-level self-sufficiency. To continue being self-sufficient in grain from now till the end of this century, China's grain production must reach a higher stage: The current annual output of about 800 billion jin must be increased to an annual output of about 1,000 billion jin, and the average annual increase of grain must be more than 10 billion jin. Only by doing this can we maintain the 800-jin per capita amount of grain or achieve a higher per capita amount of grain by the end of this century. With this kind of per capita amount of grain and with the further development of animal husbandry and the aquatic products industry, we can guarantee a gradually improving standard of nutrition for the Chinese people. If we slacken our efforts to attach importance to grain production, and if we do not continue working hard to mobilize an enthusiasm for production among the vast numbers of peasants, to develop and popularize agricultural science, and to improve agricultural production conditions, the reemergence of the grain shortage within a few year's time cannot be completely ruled out. Comrade Mao Zedong once said: "One does not get alarmed if one has grain." In promoting China's modernization, grain will always be an important issue. We must not, in the slightest degree, be slack in our grain work.

Since the founding our People's Republic, our country's work of buying and selling grain was carried out under the direct leadership of Comrades Zhou Enlai, Chen Yun, Li Xiannian, and other central leading comrades over a long period of time. They worked under very difficult circumstances and made outstanding contributions to stabilizing grain situations in our country. Quite a few chapters and sections in this book expound in detail their guiding ideology and their concrete experiences gained through practice. As the level of the compiler is limited, it is possible that this book may not have complete information on certain points or may have given some incorrect points. Readers, please point out mistakes so that they can be corrected.

(Note: The monographic book GRAIN WORK IN CONTEMPORARY CHINA, which will be published soon, contains full and accurate historical data. The book's pictures and its accompanying essays are both excellent. It is a monographic book which integrates theory with practice in the field of the circulation of grain commodities. This is also the PRC's first history book that comprehensively discusses and expounds a general picture of the development of grain work in China. It is a valuable reference book for scientific, technological, and teaching circles and for probing into reforms of the system of the circulation of grain commodities).

NATIONAL FORUM ON MAO ZEDONG THOUGHT CONVENES

HK221347 Changsha Hunan Provincial Service in Mandarin 0100 GMT 17 Oct 86

[Text] Yesterday morning more than 150 experts and scholars from different parts of the country gathered in Changsha, the provincial capital, to attend a national symposium on Mao Zedong Thought. The 4-day symposium was jointly sponsored by 12 units including the Marxism-Leninism-Mao Zedong Thought Research Institute of the Chinese Academy of Social Sciences, the Academy of Social Science of Hunan Provincial, and the PLA National Defense Science and Technology University. In the spirit of Comrade Deng Xiaoping's instruction that it is necessary to correctly study Mao Zedong Thought in all spheres as an integral whole, and taking the development history of Mao Zedong Thought as a start, the symposium primarily discussed the development of Mao Zedong Thought since the 3d Plenary Session of the 11th CPC Central Committee. It was presided over by Professor Su Shaozhi, director of the Marxism-Leninism-Mao Zedong Thought Research Institute of the Chinese Academy of Social Sciences. Liu Zheng, deputy secretary of the provincial party committee, spoke at the meeting.

LI PENG FETES COLUMBIA UNIVERSITY SCIENTIST

OW171851 Beijing XINHUA in English 1438 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- Li Peng, Chinese vice-premier and minister in charge of the State Education Commission, and his wife met and gave a luncheon for T.D. Lee, professor at Columbia University, U.S.A., and director of the Beijing Institute of Modern Physics, and his wife here today.

LI PENG URGES STUDY IN EARTHQUAKE FORECASTING

OW222338 Beijing XINHUA in English 1659 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) -- Vice-Premier Li Peng called on seismologists here today to learn more about earthquake forecasting which would ease such disasters.

Seismology departments must do a good job in compiling charts of the nation's danger zones so that local authorities can adopt appropriate measures -- effective but not wasteful -- against possible earthquakes, Li said.

Speaking at a national meeting of seismologists, Li said China is one of the world's major earthquake zones and frequently suffers the ravages of earthquakes.

Li noted that there have been good results in the study of earthquake forecasting in China and encouraged seismologists to continue to probe the laws governing earthquakes. He told them, "so long as you exert yourselves in the study and forecast earthquake, the government will support you and the people will understand you even if you make a mistake."

The five-day meeting concluded here today.

FANG YI AT CEREMONY OPENING CENTER FOR SCIENCE

OW171857 Beijing XINHUA in English 1515 GMT 17 Oct 86

[Text] Beijing, October 17 (XINHUA) -- The China Center for Advanced Science and Technology was established at a ceremony here today.

The directors of the center are T.D. Lee, a professor at Columbia University in the United States, and Zhou Guangzhao, vice-president of the Chinese Academy of Sciences.

The purpose of setting up the center, according to a Chinese official concerned, is to create a better environment for scientific research and establish links between research institutions and scientists at home and abroad.

Among those present at the ceremony were high-ranking Chinese officials as well as T.D. Lee and Italian Physicist A. Zichichi, who is president of the International Center for Scientific Culture-World Laboratory.

As a component part of the international center, which was established in Geneva last July, the China center is composed of three sub-divisions, namely, the center of theoretical physics, the center for condensed matter and radiation and the center for high-energy and synchrotron radition.

At the ceremony, Chinese State Councillor Fang Yi spoke highly of the international center which, sponsored and supported by the Italian government, has contributed greatly to exchange and cooperation among international scientific research organizations and scientists, to international scientific and technological development in general and the developing countries in particular, and to world peace.

He said he hoped more Chinese research institutions and universities would participate in the center so as to promote cooperation in more scientific fields.

FANG YI INSPECTS WORK IN HEBEI PROVINCE

SK230809 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 15 Oct 86

[Excerpt] From 11 to 15 October, Fang Yi, member of the CPC Central Committee Political Bureau and state councillor, inspected the work in our province. During the inspection tour, he heard work reports by provincial leaders and visited the Shujiazhuang Water Pump Plant, the Shijiazhuang Warp-Knitted Fabric Mill, the Provincial Academy of Sciences, the Telecommunication (?telemetric control) Technology Research Institute of the Ministry of Electronics Industry, (Zhuhao) Village of (Huobintai) Township of Pingshan County, the stud mink farm for foreign trade in Pingshan County, and the provincial metallurgical institute.

After hearing reports on the work of our province, Comrade Fang Yi spoke at some length about the issue of reform. He pointed out: Reform is one of the most important tasks we encounter. Everyone should always bear reform in mind. If not reform-minded, we will have problems in doing our work.

Fang Yi said: Since the 3d Plenary Session of the 11th CPC Central Committee, the situation has become increasingly better. However, we should never stop carrying out reform, and of course, never advance rashly. Take rural reform for instance. We should have something new every year.

He encouraged leading comrades at all levels to go deep into the grass roots and the rural areas, pay attention to new trends in rural reform and new things created by peasants, and sum up and popularize new experiences in a timely manner.

Comrade Fang Yi showed deep concern for our province's development of science and technology, and the nonferrous metals industry. He pointed out repeatedly on many occasions that without having science and technology take the lead, no province will carry out its production successfully. He urged our province: It is necessary to attach importance to scientific and technological information, and scientific and technological exchanges with other areas at home and abroad. Personnel should be sent out and invited often. We should not begrudge spending money in this regard. Instead, we should see scientific and technological development with a long-term viewpoint. Investment in intellectual resources will yield returns several tenfold and hundredfold in the future.

When inspecting the provincial academy of sciences, Comrade Fang Yi said happily: It is very good that you, Hebei Province, have established the academy of sciences. This shows that your province has more foresight.

Research institutes under the provincial academy of sciences may not be large in number, but they must select research jobs based on the province's resources and tasks so that they can serve the economy of the province.

Comrade Fang Yi inquired in detail about technical transformation, technology imports, and development of new products at every unit he visited. He also encouraged scientific and technical personnel on many occasions to go to grass-roots units and poor areas to help the masses solve their practical problems in production and daily lives. [passage omitted]

After hearing a report by the Shijiazhuang Water Pump Plant on technical transformation and the development of new products, Comrade Fang Yi said: All departments concerned are grateful to you for your efforts to go wherever there is difficulty. You should maintain the fine tradition of visiting consumers to render service, attain a yet higher goal after that you have achieved, and never become arrogant.

SONG JIAN CHECKS WORK IN HUBEI PROVINCE

HK221048 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 19 Oct 86

[Excerpts] From 8 to 16 October, Song Jian, state councilor and minister of the State Scientific and Technological Commission, paid an inspection visit to northwest of Hubei Province and Wuhan area. During the visit he was accompanied by Wang Qun, deputy secretary of the provincial party committee and first secretary of Wuhan City Party committee; as well as Vice Governors Liang Shufen and Duan Yongkang. [passage omitted]

While inspecting the No 2 Motor Vehicle Plant, he was much impressed by the dynamic scene. He said: To make China rich and strong, we must depend to a great extent on such large enterprises as the No 2 motor vehicle plant. He hoped that the plant would continue to concentrate its efforts on opening up to the outside world and dare to compete with first class automobile factories in the world. At the same time it must learn how to do business and must be resolved to train a certain number of good salesmen so as to promote more products in the world markets. He hoped that the No 2 Motor Vehicle Plant would be the first to enter the ranks of first class enterprises in the world and play an exemplary role in the country. He gladly wrote an inscription for the No 2 Motor Vehicle Plant, reading: Head for the world and set an example for our modernization. He also stressed: To head for the world, the plant should rely on science and technology and bring into full play the role of scientists and technicians. In particular those scientists and technicians who have made great contributions must be highly valued and must be credited with distinguished honor, rewards and recommendations. Our socialist modernization drive needs talents of different types. While bringing into full play the role of professional scientific and technical personnel, we must make efforts to identify and train skilled personnel from among the workers. Skilled workers should also be duly respected, conferred corresponding titles and given due remuneration and position. [passage omitted]

When listening to reports made by leading comrades of Wuhan City on opening the city to the outside world, he said: One of the major tasks in opening China to the rest of the world is to try, in every possible way, to earn more foreign exchange through exportation. If we have more foreign exchange, we will be able to lay a solid material foundation for developing our relations with other countries. He hoped that Wuhan City would give fuller play to its important role as a key city in opening up to the outside world and attract more foreign investment funds in various forms. He also hoped that Wuhan would create a better climate for opening up to the outside world by improving the quality of its products, tourism, service trades and urban construction and promoting cultural and ideological progress.

BO YIBO SPEAKS AT SHANXI'S FORUM IN BEIJING

HK220654 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 19 Oct 86

[Text] Between 13 and 19 October, the Shanxi provincial party committee held a forum in Beijing marking the 50th anniversary of the Shanxi New Alliance Society. Central leaders, including Wang Zhen, Bo Yibo and others met participating comrades.

The forum was attended by 57 former leaders of the Shanxi work committee for [words indistinct], the Shanxi National Salvation Alliance of Teachers and Students and [words indistinct], including Bo Yibo, Yang Xianzhen, (Zhou Zhongying) and (Liu Yingguan). Chairman of the Commission for Collecting Party Historical Data Feng Wenbin, Vice Chairman (Ma Qijiang); director of the Party Literatue and Data Research Center Li Qi; Deputy Director of the Party History Research Center Li Xin; and so on attended the forum and made speeches.

The forum was presided over by Li Ligong, secretary of the provincial party committee. He also made the opening speech, in which he spoke highly of the great contributions made by the New Alliance Society.

He proposed that this forum should review and sum up the achievements made by the province's leadership and by the New Alliance Society before and after the outbreak of the War of Resistance Against Japan in terms of implementing the united front work and the line, principles and policies.

In the course of meeting, Bo Yibo, Standing Committee vice chairman of the Central Advisory Commission, former secretary of the Shanxi work committee for [words indistinct] and principal responsible person of the New Alliance Society, made an important speech. He reviewed the contributions made by the New Alliance Society under the party leadership in the area of promoting the national united front in the War of Resistance Against Japan and in steadily creating a favorable situation in the province during the war.

The participating comrades also augmented and revised the new record of major events in alliance society's history, its course of development, a brief introduction to its martyrs and other historical party data.

ZHAO ZIYANG INSPECTS RESORT VILLAS IN ZHUHAI

HK230521 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0056 GMT 20 Oct 86

[Report by Zhou Xiao (0719 2556): "Zhao Ziyang Inspects Resort Villas in Zhuhai"]

[Text] Guangzhou, 19 October, (ZHONGGUO XINWEN SHE) -- On 18 October, Premier Zhao Ziyang inspected some resort villas in Zhuhai, built with funds invested by Hong Kong businessman Wu Zhaosheng. When accompanying Premier Zhao during his inspection, Wu Zhaosheng suggested to the Premier that visa procedures concerning foreigners' entry into the Shenzhen and Zhuhai Special Economic Zones via Hong Kong and Macao be simplified and service charges be reduced. Wu Zhaosheng noted that the supply of hotels in Hong Kong and Macao often falls short of demand and Shenzhen and Zhuhai should take advantage of this situation to attract foreign tourists. At present, it takes at least a day for foreigners to go through the visa procedures for entry into Shenzhen and Macao. Many foreigners simply do not travel there because of the complicated procedures. So, China should first simplify its visa procedures.

Wu Zhaosheng also suggested to the premier that private vehicles from Hong Kong and Macao be allowed into the special economic zones.

Wu Zhaosheng is presently honorary chairman of the Hong Kong Securities Brokers Association and general manager of the resort villas in Zhuhai are of high international standard, with a total investment of HK$ 0.25 billion. The first-phase construction has already been completed. During a trial operation period between June and September of this year, 160,000 Hong Kong and Macao tourists stayed in the Zhuhai villas. Despite the rain, Zhao Ziyang viewed the whole resort from the balcony of Villa No 1 and praised the villas for their appearance and comfort.

Wu Zhaosheng told the reporters that Zhao Ziyang fully understands the psychology of overseas investors and has answered or explained many of his questions. Wu said that the resort villas in Zhuhai Have bought various relevant insurances from the Zhuhai branch of the Chinese People's Insurance Corporation, but have not bought any insurance against political risk, beacause he thinks such cover is not necessary. With the continued implementation of China's policy of opening up, investment in Zhuhai will increase.

WAN LI ON PROGRESS OF XUZHOU RAILROAD PROJECT

OW191259 Beijing XINHUA Domestic Service in Chinese 0258 GMT 19 Oct 86

[By RENMIN TIEDAO BAO (PEOPLE'S RAILWAY DAILY) reporter Luo Chaoqing]

[Text] Beijing, 19 Oct (XINHUA) — Vice Premier Wan Li on 18 October listened to a briefing in Xuzhou on progress in construction of the railroad hub project. He pointed out during the briefing that the construction shoud be accelerated.

The Xuzhou railroad hub project is located at the intersection of two major railroads — the Beijing-Shanghai Railroad and the Lianyungang-Lanzhou Railroad — and is at a strategic point leading to the eastern Jiangsu region. Comrade Wan Li is very much concerned about this project. He pointed out once in April and again in July this year that the project's construction should be accelerated because it was started late. At present, land requisition for the project and removal of housing on the land have been basically completed.

The responsible comrade of the Xuhou railroad hub project construction office told Vice Premier Wan Li that the main portions of the project will be completed 1 year ahead of the planned schedule. Wan Li said: They should be completed even sooner. It will also be a great success if it is completed only 1 month sooner. The most important thing is to keep the railroads open.

Wan Li emphatically pointed out: Railroad construction needs land, but we must use the land in an economical way, because our country has a large population but limited land. We should carry out education in land conservation at all design institutes.

Wan Li said: In order to accelerate the construction of the Xuzhou railroad hub project, we should rely on people's subjective initiative and on machinery and cooperation.

All departments should support the project, go all out for it, cooperate with each other, and should not wrangle with each other.

Present at the briefing were Minsiter of Railways Ding Guangen and Jiangsu Governor Go Xiulian.

HU QIAOMU ATTENDS PARTY FOR LITERARY PERIODICAL

OW230008 Beijing XINHUA in English 1646 GMT 22 Oct 86

[Text] Beijing, October 22 (XINHUA) — The publishers of "CHINESE LITERATURE", the country's only foreign-language literary periodical, held a reception here this evening to celebrate its 35th anniversary.

"CHINESE LITERATURE", published in English and French, is a quarterly publication on fiction, poetry, literary criticism and the arts.

It carries the best of contemporary literature, has a circulation of 60,000 and is published in over 100 countries and regions. The periodical aims at introducing foreign readers to Chinese literature and art from ancient to modern times.

The publishers also launched a paperback library, Panda Books, in 1981. Since then, this well-acclaimed literary series has published over 50 titles by such celebrated contemporary writers as Ba Jin, Lao She, Ding Ling, Ai Qing, Shen Congwen and Ye Shengtao.

Chinese Communist Party Political Bureau member Hu Qiaomu attended the reception and expressed grattitude to foreign friends who have contributed to the translation and introduction of Chinese literary works.

Wang Meng, minister of culture, congratulated the periodical for "getting better and better." He also hoped, as a friend and author, it will continue to improve in order to better reflect the vigor and openess of Chinese literature.

Over 200 people were present at the reception, including such notables as Feng Mu, Ai Qing, Liu Beiyu, Ye Junjian, British expert Gladys Yang, who has worked with the periodical for 35 years, and diplomatic envoys to China.

SONG RENQIONG AT PLANT'S ANNIVERSARY MEETING

SK211328 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 20 Oct 86

[Text] On the evening of 19 October, Song Renqiong, member of the Political Bureau [as heard] of the CPC Central Committee, attended the meeting marking the 50th anniversary of the founding of the Shenyang Bicycle Plant, held at the Beijing Hotel in the capital.

Song Renqiong spoke at the meeting. He encouraged all workers and staff members of the plant to attain an even higher goal by catching up with the Shanghai and Tianjin Bicycle Plants and by producing top-brand products.

Present at the meeting were Xu Dixin, member of the NPC Standing Committee; Yang Bo, minister of light industry; Liu Yi, minster of commerce; and Sheng Shuren, vice minister of the State Economic Commission. Also present at the meeting were pertinent persons of the State Physical Culture and Sports Commission; (Hu Jiexin), (Xu Zilai), and (Li Wenxin), noted figures of the calligraphic and painting circles; and (Han Xiuxiang), one of the winners of the team competition of the 100-km men's bicycle race at the 10th Asian Games. The meeting attendance totalled more than 200 people.

The Shenyang Bicycle Plant is now a large enterprise with an annual production capacity of 1.17 million bicycles, which can create more than 20 million yuan of profits and taxes annually. Over the past 37 years since the founding of the PRC, this plant has delivered more than 250 million yuan of profits and taxes to the state, four times the accumulated investment of the state. (Liu Xuekun), director of the Shenyang Bicycle Plant, briefed the leaders and figures of various circles who were participating in the meeting on the tortuous course of the plant over the past 50 years and on the new achievements scored in updating the varieties of products and improving the quality of products over the past few years.

Xu Dixin, (Hu Jiexin), (Xu Zilai), and (Li Wenxin) wrote inscription and painted pictures then and there to congratulate the plant on its 50th founding anniversary.

HAO JIANXIU, OTHER LEADERS VISIT EXHIBITION

OW220559 Beijing XINHUA Domestic Service in Chinese 1245 GMT 21 Oct 86

[Excerpts] Beijing, 21 Oct (XINHUA) — An appraisal and exhibition of toys and teaching aids produced by nurseries and kindergartens nationwide ended today at the satellite weather center of the State Meteorological Administration. [passage omitted]

After viewing the exhibition, leading comrades Hao Jianxiu, Song Rengqiong, Kang Keqing, and others all held that this activity sponsored by the All-China Women's Federation was very meaningful in terms of elevating the quality of nursery care and education, and developing and training the next generation. Comrade Kang Keqing inscribed "Use Dexterous Hands To Create an Interesting and Charming World For Children" for the appraisal and exhibition. [passage omitted]

ANHUI GOVERNOR ATTENDS FORESTRY MEETING

OW210845 Hefei Anhui Provincial Service in Mandarin 1100 GMT 20 Oct 86

[Excerpts] A provincial meeting on forestry in hilly areas was held in Luan County from 12 to 16 October. It mapped out a strategic program for developing forestry in Anhui's hilly areas. It called for mobilizing people in these areas to vigorously develop barren hills and ridges by planting trees in order to catch up with the plains' development in 3 to 5 years. The meeting was convened by the provincial Agricultural Economy Commission. Governor Wang Yuzhao and Vice Governor Meng Fulin spoke there.

Anhui's hilly areas lie in eastern Anhui and on the southern bank of the Chang Jiang, totaling 60,000 square kilometers and accounting for 44 percent of the province's total acreage. Forests now cover 11 percent of the hilly areas, with 3.3 million mu of barren hills and land still unforested. [passage omitted]

The meeting called on leaders in the hilly areas to recognize the importance of afforestation, to set an afforestation goal, and to do their duties well. The meeting noted that leaders in the hilly areas should strengthen leadership over this work and improve service. They should concentrate on afforestation in barren hills and ridges, in villages and forest gardens, and along communication lines, embankments, rivers, and around the provincial capital. They should also take good care of existing forests. At present, it is necessary to vigorously plant economically valuable fruit trees in order to create multifunctional and multibeneficial hills, villages, roads, and counties of flowers and fruit trees. It is necessary to make creation of village forest gardens one of the principal forms of developing forestry in hilly areas. Each household should strive to plant 1 to 3 mu of trees. In this way, forestry in hilly areas will play an increasingly bigger rile in helping peasants to become well-off and in doubling the output value of agriculture.

'MANY' DEATHS, INJURIES IN 3 JIANGXI FACTORY BLASTS

HK230209 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0947 GMT 17 Oct 86

[Text] Hong Kong, 17 Oct (ZHONGGUO XINWEN SHE) — According to a report from Nanchang, there was a serious explosion on 11 October at the No 1 fireworks and firecracker factory at Lidu Township in Jinxian County, Jiangxi Province. The fierce explosion in the factory's weaving workshop killed 10 young female workers (including a worker who was 8 months pregnant) and seriously wounded 17 female workers. The factory building was completely burned down and the factory was forced to close.

An official of the Jiangxi Provincial Public Security Department confirmed that this was the most serious explosion in the fireworks and firecracker trade in recent years. The 17 wounded workers were given emergency treatment at a hospital.

The provincial public security official said: Two other serious explosions which took place on 11 and 12 October at two Jiangxi firework and firecracker factories also killed and wounded many people. Direct causes of these three consecutive explosions are still under investigation. According to preliminary findings, the three explosions had something to do with the factories concentrating only on high output and profit and with the factories neglecting production safety.

This official added: Producing fireworks and firecrackers by hand, households joining together to run fireworks and firecracker factories, and individual producers producing fireworks and firecrackers are becoming common practices in the rural areas, cities, and towns of Jiangxi Province. These practices are also important ways in which peasants achieve well-to-do status. However, there have been no safeguards against accidents. Some factories and workshops either do not have fire-fighting equipment or have very poor fire-fighting equipment.

The authorities have stated that they will stress stengthening safety supervision at rural fireworks and firecracker factories, and will strictly check up on and test directions for producing safer gunpowder. At present, directions for producing over 1,000 types of fireworks and firecrackers have passed safety examinations and tests.

SHANDONG HOLDS CONGRESS STANDING COMMITTEE MEETING

SK221146 Jinan Shandong Provincial Service in Mandarin 2300 GMT 21 Oct 86

[Text] The 22nd Standing Committee meeting of the 6th provincial People's Congress opened at Nanjiao Guesthouse in Jinan on 21 October.

The main items on the agenda are to study documents of the 6th Plenary Session of the 12th CPC Committee, hear a report of the provincial government on the province's family planning work, discuss Shandong Province's draft regulations on managing crop seeds and a draft resolution of the Shandong Provincial People's Congress Standing Committee on conscientiously studying and implementing the PRC's general principles of civil code, hear a report of the provincial government on implementing the PRC's law on preserving cultural relics and make a relevant resolution, hear a report of the provincial government on the situation of implementing the PRC's Forest Law, discuss the suggestions of the provincial Election Committee on elections on changing the term of office of the county- and township-level people's congresses, and decide on matters concerning the appointment and removal of personnel.

Li Zhen, chairman of the provincial People's Congress Standing Committee, presided over the plenary meeting. Lu Maozeng, deputy secretary of the provincial party committee, relayed the guidelines of the 6th Plenary Session of the 12th CPC Central Committee and his experience in studying the resolution of the CPC Central Committee on the guiding principles for building socialist spiritual civilization.

Xiao Han, Xu Leijian Zhang Zhusheng, Xu Jianchun, Lin Ping, Zeng Chengkui, Lu Hong, Xu Sen, and Yan Qingqing, vice chairmen of the provincial People's Congress Standing Committee, attended the meeting.

Ma Changgui, vice governor; Zhu Qimin, adviser to the provincial government, Han Bangju, president of the provincial Higher People's Court; and Zang Kun, chief procurator of the provincial People's Procuratorate; as well as responsible persons of the relevant provincial government departments; the People's Congress Standing Committee of the cities under the jurisdiction of the provincial government; the liaison offices in charge of the work of the People's Congress Standing Committees of various prefectures; and some county and city People's Congress Standing Committees attended the meeting as observers.

GUANGDONG TAKES MEASURES TO FIGHT DROUGHT

OW221325 Beijing XINHUA Domestic Service in Chinese 0734 GMT 22 Oct 86

[By reporters Li Hu and Li Jianyang]

[Text] Guangzhou, 22 Oct (XINHUA) -- Drought has hit most parts of Guangdong Province. Party and government organizations there are leading the masses in actively combating the drought. Since August this year, most parts of Guangdong Province have had very little rain, and many regions have had no rainfall at all. This year's typhoon No 21, which landed at Zhanjiang City on the morning of 19 October, only brought some rain to seven or eight cities and counties in the western coastal area. As a result, the drought in most other parts of the province has been serious. In Shaoguan, Huiyang, Meixian, and Shantou Prefectures and Cities, river discharge has decreased and many reservoirs and ponds have dried up.

Leading party and government organs at all levels in Guangdong Province are adopting effective measures and leading the masses in combating drought. Antidrought commands and leading groups have been set up in all counties and districts in Shaoguan City. Leading cadres at all levels have divided up the work and joined the masses in combating drought at the grass roots level. In Meixian Prefecture, some 1,400 cadres from prefectural and county organs are working in the countryside, leading and organizing the masses in combating drought. Shantou City has blocked the five estuaries of the Han Jiang to prevent its water from draining into the sea, thus retaining the water for irrigating several hundred thousand mu of farmland in such cities and counties as Chaozhou, Chenghai, Shantou, and Jieyang on the lower reaches of the Han Jiang. The Guandong provincial government has allocated some funds and materials, such as diesel oil and gasoline, for use in combating drought.

GUANGDONG DEALS 'SEVERE BLOWS' TO CRIMINALS

HK230034 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 20 Oct 86

[Excerpt] Recently, the provincial public security organs have continued to deal severe blows to fleeing criminals. The have caught more than 1,000 loitering and fleeing criminals, some of whom were involved in major cases of robbery, larceny, and swindling. Meanwhile, more than 500 loitering criminals have surrendered to public security organs in response to their appeal. Around National Day, the public security organs at all levels in the province carried out a thorough operation to deal blows to criminal activities. [passage omitted]

GUANGDONG INTRODUCES INSURANCE FOR NUCLEAR PLANT

HK221353 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1044 GMT 19 Oct 86

["Guangdong Province Introduces Some 40 New Insurance Services, Including the Insurance of Nuclear Power Plant" -- ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 19 October, (ZHONGGUO XINWEN SHE) -- Since August of this year, Guangdong Province has increased nearly 40 new insurance services. Until now, Guangdong Province has established 85 insurance services.

The newly increased insurance services are: The insurance on nuclear power plants, the insurance on expenditures on the control of blowouts, the insurance of non-airplane-owner responsibility, the insurance on profits, the insurance against pollution leakage, and so on. The Daya Bay Nuclear Power Plant has already, participated in the insurance scheme. Since 1981, the Guangdong Branch of the Chinese People's Insurance Corporation has provided insurance services to more than U.S. $20 billion-worth of foreign economic and trade property. The insurance premium of foreign-related insurance services has increased year after year with a total income exceeding U.S. $0.13 billion and an average annual income increase rate of over 24 percent. From January to August of this year, the income from the insurance premium reached nearly U.S. $40 million, an increase of 6.2 percent over the same period of last year.

Over the past 5 years, the corporation has dealt with more than 17,000 foreign-related compensation cases and paid more than U.S. $66 million in compensation. The relatively big compensation cases include: The compensating of U.S. $14.3 million for four ocean-going ships damaged in the war between Iran and Iraq; the compensation of over U.S. $14 million for three airplane accidents and one helicopter accident; the compensation of U.S. $9.5 million for the capsizing and sinking of a derrick floor called "Zhuawa Sea."

In recent years, the Chinese People's Insurance Corporation has also developed a overseas insurance business and increased the insurance services for the Hong Kong entrepot trade and big FOB export trade business. At present, there are eight Hong Kong companies involved in such insurance services.

HUBEI PLANT LEASED TO WORKFORCE MEMBERS

OW222304 Beijing XINHUA in English 1637 GMT 22 Oct 86

[Text] Wuhan, October 22 (XINHUA) — An automobile engine manufacturing plant was leased to a group from its 1,400-member workforce today in this capital city of central China's Hubei Province.

At this afternoon's ceremony, Chen Qifa, the head of the group, and a representative of the Wuhan Automobile Manufacturing Company, to which the plant is attached, signed a five-year lease under the supervision of the Wuhan Notarial Office.

Chen's group of ten and their guarantor have mortgaged 45,000 yuan (12,000 U.S. dollars) in private assets for the leasing.

This is the first medium-sized government-owned enterprise in China leased to a collective. During the first nine months this year the plant lost 940,000 yuan (250,000 U.S. dollars), a local official told XINHUA today.

It is now one of about 7,000 government-owned and collective industrial and commercial enterprises that have been leased or contracted to collectives and individuals after Chinese Premier Zhao Ziyang announced that small commercial enterprises "should be leased," at the second annual session of the Sixth National Peoples's Congress in 1984. After enterprises are leased, their ownership, the status of workers and the taxes will not be changed.

But, directors of the leased factories can enjoy self-decision powers, including the setup of managment, the use of workers, the appointment of managerial officials and the ways of distribution within the framework of the government policies and laws.

The Wuhan Automobile Engine Manufacturing Plant had more than 16 million yuan (more than 4.3 million U.S. dollars) in fixed assests.

HUNAN MILITARY DISTRICT HOLDS LONG MARCH GET-TOGETHER

HK221033 Changsha Hunan Provincial Service in Mandarin 0100 GMT 16 Oct 86

[Excerpts] Yesterday afternoon, the Hunan Military District held a get-together in the (Zhonghu) Cadre Sanatorium to mark the 50th anniversary of the Red Army's Long March. Those who happily gathered with some 50 Red Army veterans under the same roof were Guangzhou Military Region Deputy Political Commissar Liu Anyuan, provincial party committee Deputy Secretary Liu Fusheng, Hunan Military District Commander Jiang Jinliu, Hunan Military District Deputy Political Commissar (Wu Aiping), and leaders of the provincial Veteran Cadre Bureau and provincial Civil Affairs Department. They spoke glowingly of the excellent situation in army-building over the past 50 years and in reform and opening up since the 3d plenary session of the 11th CPC Central Committee. [passage omitted]

As yesterday's get-together, some 10 performers of the provincial song and dance troupe, provincial radio and television art troupe, and provincial sports group and representatives of Red Army veterans, including (Wu Zuoxie), (Wu Jian), and (Li Kanghe), gave a brilliant performance.

BRIEFS

GUANGDONG CONSCRIPTION WORK -- This year's conscription work is on the upsurge in Guangdong. So far a total of 150,000 young people of draft age have signed up with drafting centers. In Shenzhen city, 90 percent of such young people have signed up, while 600 young people from well-off specialized households in Foshan and Jiangmen Cities have registered with the Army. [summary] [Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 18 Oct 86 HK]

GUANGDONG DROUGHT -- Drought has become more serious in the province. Little rain has been recorded in the province since the beginning of September. According to statistics on 7 October, some 13 million of mu of crops were hit by the drought, 7.5 million mu of which were rice. Some 3.5 million mu of rice were seriously hit by the drought. A large amount of dryland crops, such as sugarcane, fruits, and sweet potato, are now withering. The serious drought will jeopardize the production of late rice in the province. The drought is now developing in Maoxian, Shaoguang, Huiyang Zhaoqing, Shantou, and Zhanjiang Prefectures. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 10 Oct 86 HK]

NORTH REGION

BEIJING LEADERS HAIL LONG MARCH VETERANS

OW210608 Beijing XINHUA Domestic Service in Chinese 1414 GMT 20 Oct 86

[By reporter An Zhonghuang]

[Text] The Beijing Municipal CPC Committee and the Beijing Municipal People's Government invited 33 veteran Red Army fighters who participated in the Long March to a forum this afternoon to commemorate the 50th anniversary of the victory of the Long March made by the Chinese Workers and Peasants Red Army.

At the forum, Li Ximing and Chen Xitong paid high respects and extended sincere regards to the veteran Red Army fighters. The veteran Red Army representatives spoke one after another at the forum. With excitement, they recalled the great deeds of the Long March and cherished the memory of the heroic martyrs.

At the forum, the municipal party committee and government distributed two books — "Selected Poems of Mao Zedong" and "Long March, an Unprecedented Story" — to the veteran Red Army representatives as mementos of the occasion.

BEIJING CONDUCTS SURVEY OF WORKERS' AVERAGE INCOME

SK212226 Beijing City Service in Mandarin 1000 GMT 11 Oct 86

[Text] According to the latest data provided by the municipal Statistical Bureau, in 1985, the total wages of all workers in municipal state-owned units reached 4.15 billion yuan, an increase of 23.5 percent over 1984, ranking first among the 10 major cities of China. Among the 10 major cities of China, the average per-capita wages of workers of Guangzhou City ranked first, reaching 1,633 yuan; Shanghai ranked second; and the third was Beijing, reaching 1,367 yuan. Along with the present flexible prices of meat and vegetables, living expenses have increased accordingly. If the rise in the cost of living index is excluded, the municipality's actual wage level ranked third and the average per-capita income of people was 1,231 yuan, ranking after Guangzhou and Shanghai.

In terms of the average per-capita bonuses of workers, the bonus increase in Beijing was higher than that of Guangzhou and Shanghai, reaching 28.4 percent. Compared with the average wages of various trades and professions in the economic sectors of the 10 major cities, Beijing's agricultural, forestry, animal husbandry, and fishery sectors ranked first; banking and real estate industries ranked second; and industrial, building, commercial, catering, and service industries, scientific research units, and state organs ranked third. In terms of the wages of different trades, the building industry of Beijing, Tianjin, Wuhan, and Guangzhou ranked first. The wages of state organs of Beijing and Tianjin ranked last.

HEBEI MEETING ADOPTS MEASURES FOR STUDYING RESOLUTION

SK212243 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 4 Oct 86

[Text] On 4 October, the provincial party committee held a meeting to study and implement the guidelines of the 6th Pleanary Session of the 12th CPC Central Committee. It called on party organizations, party members, cadres and the people throughout the province, to resolutely repond to the call of the party Central Committee and conscientiously and successfully study, publicise, and implement the CPC Central Committee's resolution on the guiding principles for building the socialist spiritual civilization.

It urged that comrades of provincial organs, in particular, should take the lead in doing so.

Xie Feng, deputy secretary of the provincial party committee, presided over the meeting. Xing Chongzhi, secretary of the provincial party committee, delivered a speech. Attending were more than 2,000 people, including responsible persons of the provincial party committee, Advisory Commission, People's Congress Standing Committee, government, and CPPCC Committee, cadres at and above the level of deputy section chiefs of provincial organs, and responsible comrades of the propaganda departments of various city and prefectural party committees.

After relaying the guidelines of the 6th plenary session, the meeting put forward five requirements on the province concerning ways to study and implement the CPC Central Committee's resolution on the guiding principles for building the socialist spiritual civilization adopted at the 6th Plenary Session of the 12th CPC Central Committee.

First, party organizations at all levels should regard the study and implementation of the resolution as important work, and carry it out. The resolution is a programmatic document guiding our country in building spiritual civilization in a healthy manner. In the history of our party, this is the first time a resolution has been made especially for building spiritual civilization. The resolution embodies the guidelines of the 12th party congress and sums up the new experiencee gained over the past few years. Party organizations at all levels should make meticulous arrangements for the study, and keep abreast of the development of situation in a timely manner so that they can give guidance to the sound development of the study.

Second, efforts should be made to study the document in a down-to-earth manner. The provincial party committee decided that party and government organs under the province and various prefectures, cities, and counties should devote about 1 month to conscientiously studying and mastering the guidelines of the resolution. All localities and departments should also make arrangements based on their own special conditions. During the study, first of all we should grasp the orientation -- namely, the four basic principles, reform, and opening to the outside world. In addition, we should pay attention to grasping the focal points, and truly master the guidelines for the issues of fundamental importance. During the study, we should also bear the actual conditions in mind and, based on our own understanding and the document, ask more questions starting with why. With regard to different opinions, we should reason things out through study, discussions, persuasion and guidance in order to unify the people's thinking in line with the guidelines of the resolution.

Third, we should carry out the resolution of the party Central Committee in a crative manner. After conscientiously studying the guidelines of the resolution, we should put forward opinions based on the specific conditions of our own localities and units for carrying out the guidelines and earnestly put them into effect. We should consider both what we should attend to during the Seventh 5-Year Plan and what we should do at present. The emphasis should be placed on the work for this year and next. We should do more solid work steadily for building the spiritual civilization, make solid progress in it, and go on discovering, inventing, creating and advancing.

Fourth, study and practice should be combined. Leading organs, leading cadres, and party members should take the lead in earnestly practicing what they advocate and play an exemplary role. Through conscientious study of the document, they should enhance their understanding, put what they have studied into practice, successfully resolve the issue of serving the people wholeheartedly, which is of fundamental importance, and improve the ability of leading bodies in solving their own problems.

Fifth, we must stress actual results. When studying and implementing the guidelines of the resolution, and when carrying out our practical work, we must never resort to formalism and flourishes, seek an undeserved reputation, merely pay lip service, and engage in idle theorizing. All our measures should be feasible; our requirements practical, realistic, and suitable to specific conditions; our acts fruitful, and all things that should be developed and reformed be done in line with the will of the people. We should educate and lead the masses to voluntarily do the things that should be developed and reformed and educate our cadres, leading cadres in particular, to understand that an appetite for fraud, formalism, undeserved reputation, empty talk, and coercion and commandism are manifestations of uncivilized acts, and should be overcome.

NEI MONGGOL HOLDS WATER CONSERVANCY CONFERENCE

SK230506 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Oct 86

[Excerpts] Carrying out water conservancy construction in the rural and pastoral areas in a timely manner during this winter-spring period is one of the important conditions for stabilizing the development of agricultural and animal husbandry production. This was put forward at the regional conference on the water conservancy construction work for this winter-spring period, which was held on 20 October. The conference also proposed that after the issuance of the regional party committee's principle of planting grass and trees to boost animal husbandry, we should pay even greater attention to water conservancy construction in the rural and pastoral areas during the winter-spring period.

The conference put forward that in the course of building water conservancy projects in the rural and pastoral areas during this winter and next spring, the eastern part of the region should center its work on repairing construction projects damaged by the flooding, and restore the operation of and rebuild antiflood and irrigation projects. Furthermore, the construction of projects for ensuring water supplies for the people and animals and for preventing flouridation and improving the quality of water should be grasped. The western part of the region, particularly the areas which have been plagued by drought, should exert vigorous efforts to make full use of the existing water conservancy facilities and to expand the irrigated areas. The pastoral areas should actively develop water conservancy construction in man-made pastures and among livestock herds. Areas where conditions permit should develop irrigated areas in grasslands as well as into fodder grass and animal feed bases.

The conference stressed: All localities should mobilize and organize the masses to concentrate time and manpower on reinforcing, repairing, maintaining and tapping the potentials of the existing water conservancy facilities which have utilization value and can guarantee water supplies before the freezing weather. In addition, they should also build supporting projects to update and upgrade facilities. Special attention should be paid to maintaining the dikes during the winter-spring period and making good preparations for preventing next year's serious drought and floods. The conference called on the people's governments at all levels to conscientiously grasp the operation and management of water conservancy projects while stengthening the building of water conservancy projects, to pay simultaneous attention to building and managing the projects, and to readjust and consolidate the present water conservancy management units. It also called for establishing and improving the labor accumulation system and the grass-roots water resources management organizations in the rural and pastoral areas, and further implementing and improving the management contract responsibility system and the technical role responsibility system. [passage omitted]

Leaders of the relevant regional government departments attended and addressed the conference.

TIANJIN BUILDS 11 MILITIA TRAINING BASES

SK221139 Tianjin TIANJIN RIBAO in Chinese 7 Oct 86 p 1

[Text] The 11 militia training bases built in our municipality have played a positive role in military and political training, in achieving affluence through production, and in building the spiritual civilization. They have manifested or are manifesting their strategic, social, and economic benefit.

Over the past few years, the Tianjin Garrison District has invested approximately 800,000 yuan in these training bases. Covering an area of 18,800 square meters, these bases are equipped with practically complete facilities, and can accommodate 2,500 people for training at one time. To date, they have assembled militiamen and reserve units for training on more than 70 occasions, training more than 9,000 people of various specialities. Various district and country People's Armed Forces Departments have also made the best use of the advantages of the bases to increase their benefit. Nine of the bases have developed livestock breeding, crop farming, or storage and processing industries. Their annual income has ranged from 140,000 to 200,000 yuan, thus supporting local finance.

At a work conference on building militia training bases for the municipality held on 6 October, Zheng Guozhong, commander of the Tianjin Garrison District, set forth specific requirements to further strengthen the building of the municipality's militia training bases in the future.

SHANXI MEETING NOTES PEOPLE'S CONGRESS WORK OPENS

HK230207 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 18 Oct 86

[Text] The fourth Shanxi provincial conference to exchange experience in the work of people's congresses opened in the province's capital city yesterday morning. This conference has got rid of such old formalities as delivery of opening speeches. Representatives from various cities and counties began to talk about their experience in the work of people's congresses as soon as the conference was opened. Provincial People's Congress Standing Committee Chairman Ruan Bosheng and Vice Chairman Wang Tingdong separately presided over the meetings yesterday afternoon. Comrade Ruan Bosheng said: The purpose of this meeting is to further upgrade the work of the people's congresses of all cities, counties, and districts throughout the province through exchange of experience.

Present at the conference were a total of 200 people, including provincial People's Congress Standing Committee Vice Chairmen Huo Fan, Ma Guishu, Jiang Yi, Zhang Jianmin, Wei Yunyu, and (Wang Wenfang); responsible comrades of the standing committees of all the city and county people's congresses, and responsible comrades of the people's congress liaison groups of all prefectures.

HEILONGJIANG HOLDS VILLAGE RECTIFICATION CONFERENCE

SK221117 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 20 Oct 86

[Text] Comrehensive village-level party rectivication work will soon begin. The provincial village-level party rectivication work conference, which concluded in Harbin today, pointed out that we must persist in the fundamental guiding principle of making rural party rectification promote reform and economic development and that we must make constructive achievements in village-level party rectification work.

Sun Weiben, secretary of the provincial party committee; and Liu Chengguo, deputy secretary of the provincial party committee, successively delivered speeches at the conference.

Including party branches of production teams of state farms, our province has 16,744 rural party branches and involves 326,7012 party members. A total of 1,527 party branches have finished or are carrying out party rectification work. These party branches have 23,515 party members. A total of 15,217 party branches, involving 303,186 party members, will participate in villag-level party rectification work. These party branches will successively begin party rectification work in late October to early November. Village-level party rectification work is expected to last about 3 months and will be finished before or after Spring Festival.

The conference set forth that, according to our province's actual conditions, we should concentrate village-level party rectification work on upgrading our consciousness and transforming our thinking to eliminate ideological and practical problems which are not adaptable to reform, opening the country to the outside world, and working to enliven the economy. Through party rectification, party members should eliminate close-minded ideas of a self-supporting and semi-self-supporting economy and of small-scale peasant economy to foster idea of opening to the outside world, enlivening the domestic economy, and developing the commodity economy; get rid of ideas of sticking to the old ways to foster ideas of conducting reform to blaze new trails; eliminate ideas of benighted and superstitious beliefs or living off Heaven and foster ideas of respecting knowledge and talented personnel and of relying on science to seek wealth; eliminate the egalitarian idea of sharing poverty and wealth and foster ideas of allowing some people to become rich ahead of others; and eliminate the selfish and narrow-minded idea of seeking adequate food and clothing individually and foster ideas that those who become rich should never forget others, but support the poor and take the path of seeking common wealth. We should vigorously upgrade the quality of party members and make them bring into full play their exemplary role in building the material and spiritual civilizations of rural areas. We should formulate feasible forms and systems of organizations to ensure that party members bring their roles into play.

We should conscientiously investigate and handle cases of party-member cadres abusing their power for selfish ends and seriously violating the law and discipline to promote a fundamental turn for the better in party style. If we can grasp this key work in carrying out rural party rectification, we will be able to prevent leftist and rightist deviations and solve problems without creating chaos.

The conference pointed out that to conscientiously investigate and handle the cases of party-member cadres seriously abusing their power for selfish ends and seriously violating the law and discipline, we must neither merely stop several unhealthy practices nor simply handle individual cases, but focus on the far-reaching construction of party organizations and education to mobilize the vast number of party members to conscientiously build a good party style suitable to the demands of the new situation as well as to build good leading bodies of party branches.

HEILONGJIANG MEETING URGES RECTIFYING PARTY STYLE

SK221124 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 21 Oct 86

[Text] The provincial party committee held a meeting on 21 October to relay to responsible comrades of various prefectural, city, and county party committees the guidelines of the national forum on rectifying party style. Liu Chengguo, deputy secretary of the provincial party committee, put forward three tasks for rectifying the party style of our province.

First, it is necessary to deepen the work to correct unhealthy trends characteristically existing in certain trades. A great amount of work remains to be done in correcting unhealthy trends in various trades, and the problems of some localities and units about which the masses have many complaints have yet to be successfully solved. Party committees at all levels should correct unhealthy trends and carry out reform simultaneously, pay attention to studying and mastering policies, and strengthen leadership.

Second, it is necessary to continuously step up efforts to investigate and handle major and serious cases. As has been urged by the provincial party committee, nearly 40 percent of the total major and serious cases should be clearly investigated and concluded by the end of this year. Time is pressing, therefore all localities should conscientiously analyze how these cases have been investigated and handled, replenish the forces for handling cases, upgrade the quality and expedite the progress of handling cases, and strive to conclude the cases as scheduled. It is also necessary to publicly handle typical cases in a planned manner. When investigating and handling cases, we should pay attention to keeping the policies, and enforce discipline firmly.

Third, it is necessary to successfully conduct education on party spirit, party style, and party discipline. At present we should organize party members to earnestly study the resolution of the 6th Plenary Session of the 12th CPC Central Committee in line with their actual thinking and work, and lead them to clearly understanding the position of the ruling party, and the new situation in opening to the outside world and enlivening the domestic economy so that they can continuously raise their ideological awareness and political quality.

HEILONGJIAN URGES TOWNSHIP ENTERPRISE DEVELOPMENT

SK221135 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 21 Oct 86

[Text] Based on the actual condition of township enterprises of our province, the provincial party committee recently called for including work which concerns township enterprises high on the agenda of party committees and governments at all levels, treating the work as a strategic focus for the development of our province's rural economy, carrying it out in a down-to-earth manner, striving to achieve great progress in a short period of time, and making it rank among the best in the country during the Seventh 5-Year Plan. The provincial party committee has formulated four measures for township enterprise development in our province during the Seventh 5-Year Plan.

First, leading persons at all levels, the masses of cadres in rural areas in particular, should enhance their understanding of the great strategic importance of the development of township enterprises, truly include it high on the agenda of party committees and governments at all levels, and strive to achieve great progress within a short period of time.

Second, based on the actual situation of our province, we should further define the guiding ideology and strategic principles for township enterprise development, and mobilize and urge the masses of cadres and people in the rural areas to use their brains and blaze a new trail characteristic of Heilongjiang for township enterprise development.

Third, the management system of township enterprises should be successfully reformed. We should not apply the same economic management methods we use for state enterprises to township enterprises. Instead, we should work out as soon as possible the economic management methods applicable to township enterprises.

Fourth, township enterprise development calls for the great support of various departments. Aiming to increase the economic strength of our province as soon as possible, provincial departments should support township enterprise development from various angles, and create a relaxed climate to invigorate township enterprises.

LIAONING'S QUAN SHUREN AT LONG MARCH FORUM

SK230346 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 22 Oct 86

[Excerpts] Today marks the 50th anniversary of the victory of the Red Army's Long March. With a feeling of immeasurable joy, more than 200 Red Army soldiers of the PLA units stationed in Shenyang, and those staying in Shenyang gathered at the conference room on the third floor of Liaoning's People's Theater to recall the fighting course of the Long March, and discuss the great significance of the Long March together with party, government, and army leaders of the province and Shenyang City. [passage omitted] Li Zemin, deputy secretary of the provincial party committee and secretary of the Shenyang City party committee, presided over the forum. [passage omitted]

Quan Shuren, secretary of the provincial party committee, spoke at the forum. He said: Over the past 50 years, the epic Long March has become the precious spiritual wealth of the Chinese people. In the years of the revolutionary war, it impelled thousands of revolutionaries to lay down their lives, and in the period of socialist construction, it encouraged millions of people to do pioneering work arduously through self-reliance. The spirit of the Long March, as a national spirit, will pass on from generation to generation, and will forever educate and inspire the Chinese people to exert themselves actively to make progress. Comrade Quan Shuren said: Today as we commemorate the victory of the Red Army's Long March, we should draw courage, strength, and wisdom from the Red Army's Long March and learn from the selfless spirit of the Red Army cadres and soldiers who defied hardship and danger and disregarded personal fame and interests to fight in unity and bravely for their ideals and belief. In the new long march, we should resolutely carry out reforms of the economic and the political structures, strengthen the building of spiritual civilization, and work to realize the common ideals of the people of various nationalities of our country at the present stage.

Song Keda, deputy political commissar of the Shenyang Military Region, said in his speech: To commemorate the Long March, we should regard carrying forward the fine traditions of the Red Army as an important aspect of the Army's efforts to build the spiritual civilization and persist in it so that the traditions can become a tremendous impetus to inspire us to work together and devote ourselves to the four modernizations.

Other party, government, and army leaders attending the forum were Li Changchun, Sun Qi, Zhang Zhengde, Li Huang, Zhu Dunfa, Jiang Yonghui, Zen Yongya, Zhang Jiecheng, Zou Yan, Zhang Wu, Luo Kunshan, Cheng Zemin, Nan Qixiang, Ding Jianrui, (Li Daoyuan), Zhang Guoguang, Deng Zhongru, Wu Tieming, Xiao Zuohan, and Zhu Weiren.

HEI BOLI VIEWS NINGXIA ECONOMIC OUTLOOK

HK160303 Yinchuan NINGXIA RIBAO in Chinese 28 Sep 86 p 1

[Report: "Hei Boli on Fourth Quarter Economic Work"]

[Text] Recently, after listening to reports by comrades from the regional departments in charge of economic work and from some prefectures and cities on current economic work, Hei Boli, chairman of the regional people's government, analyzed the region's economic situation in the first 8 months of this year and said that, in the fourth quarter of this year, it is necessary to have staying power, to further develop people's initiative, and to grasp safety in production so that we can simultaneously improve speed, benefit, and quality.

Since the beginning of this year, the general situation in our region's economic work has been fine. Given the relatively higher base than in the corresponding period of last year and despite such unfavorable factors as material shortage and changeable markets, industrial and transport production in the region still maintained a certain growth rate from January to August. The gross value of industrial production was 1,577.79 million yuan, an increase of 8.1 percent over the corresponding period last year. To ensure the fulfillment of all tasks this year and to achieve the objective of "ensuring an 8 percent increase and striving for 10," Hei Boli pointed out: 1) The workers and staff members on the economic front should make a breakthrough in concept by using the ideas of reform and of opening up to guide our work. We should have a sense of responsibility and urgency and, on the basis of the good situation in the first 3 quarters of this year, do a still better job in the fourth and regard the fourth quarter as a crucial period for the fulfillment of all tasks for the year. 2) We should take advantage of the favorable opportunity of ample power supply to fully increase the output of such high energy consumption products as chemical fertilizer, metal alloy, and aluminum. The power department should continue preserving its achievements and regard the construction of the No 3 generating set of Dawukou power station as a rush job. 3) We should develop new products and be determined to eliminate a number of outdated products. The difficulty we face in selling some products has provided us with an opportunity to develop new products. Some enterprises in difficulties should not await their doom. They should seize this opportunity to concentrate the enterprises' technological forces on developing new products and to take new steps forward. 4) The enterprises should adopt a sound business attitude and take various measures to strengthen sales work. They should not only produce quality products but also know how to promote the sales of their products and be willing to spend money on publicizing new products. By publicizing and promoting the sales of products they can also stimulate fund-raising and association and expand the scale of production. 5) It is necessary to encourage enterprises to expand exports, particularly the export of Taixi coal, and to earn more foreign exchange. This is not only a necessity in opening up and earning foreign exchange but also the mainstay of the region's finance. All people should make concerted efforts to preserve the overall situation. There should not be "obstructions in the middle." The railroad department should give scope to its role in ensuring transport. It should, first and foremost, ensure the transport of coal for export and of other materials to other places outside the region. 6) The relevant departments should make great efforts to develop lateral economic ties with other places outside the region. Even if this cannot be realized this year, it will be good to make preparations for next year. It is necessary to prepare a few attractive items and strive to establish lateral economic ties by the methods of sending people out or inviting people in to negotiate them. 7) It is necessary to push ahead with reform. The achievements attained in reform should be consolidated. Although the plant director responsibility system is not perfect, we should stick to it. If there are problems, we should solve them. [paragraph continues]

We should neither abandon something nor go backwards just because of temporary setbacks. We should learn from Changzhou's experience. In developing and invigorating enterprises, we should take big steps and devise many methods. 8) All departments in the region, particularly the department in charge of comprehensive economic management, should help enterprises dispel the misgivings of "whipping a willing ox" and encourage them to go all out to overfulfill their production quotas. The enterprises should not limit themselves to fulfilling the annual production plans. Moreover, it is necessary to make advance preparations for production next year and to lay a good foundation for the all-round development of the region's economy next year.

URUMQI POLICE APPREHEND ARMED BANK ROBBER

HK210423 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 16 Oct 86

[Text] In cooperation with the departments concerned, the Urumqi city public security bureau has cracked a case of armed robbery in 5 hours. Song Tao, the criminal who robbed a bank with a pistol, has been caught.

At 1240 the day before yesterday, Song Tao, a criminal who fled from Wuhan to Xinjiang, rushed into the fourth lane of the Deposit Office of the (Zhayibate) District Branch of the Industrial and Commercial Bank in Urumqi. Pointing a pistol at the tellers in the office, the robber snatched up cash totaling 9,000 yuan, and then fled by taxi. The Urumqi City Public Security Bureau took prompt action after the holdup and in close cooperation with the relevant departments, quickly found out what the robber looked like and where he had fled. The Public Security Bureau immediately sent policemen to pursue the robber. Thanks to the strong support by local public security departments and other units in Turpan Prefecture, the policemen from Urumqi caught the robber at Daheyan at 1740 on the same day. The 9,000 yuan taken by the robber and the pistol he used in the holdup were seized on the spot.

MACAO

HANDOVER TO PRC 'ONLY AFTER 1997' REPORTED

HK230245 Hong Kong AFP in English 0236 GMT 23 Oct 86

[Excerpts] Macao, Oct 23 (AFP) -- Macao will be handed back to China only after 1997, when neighboring Hong Kong becomes a special administrative region under Chinese rule, Macao radio reported today. Quoting sources with a Portugese team in Beijing that ended two days of discussions Wednesday on the future of the Portuguese administered city, the radio said, "Both parties have agreed that Macao will be returned to China only after 1997," but added that no definite date had yet been set. It also said that the third round of the Sino-Portuguese talks ended with a broad consensus on matters such as the role of the Catholic Church in Macao after it reverts to China, and the future educational system of the territory.

The question of nationality was also a major topic, with the two sides discussing a new Portuguese proposal, the radio said, but gave no details. One of the chief Portuguese concerns is to avoid creating a flood of Lisbon-bound refugees, as the territory's overwhelmingly Chinese population of about half of a million includes an estimated 100,000 Chinese and mixed blood Macanese entitled to Portuguese passports. It said the next round of talks would be held in Beijing before December.

Ma Man Kei, chairman of the Macao Chamber of Commerce and a Macao deputy in the Chinese parliament, the National People's Congress, said Wednesday that Chinese officials told him a draft agreement on Macao's future would be signed in Beijing in February. [passage omitted]

Analysts in the Chinese capital said the creation of the working group showed that major differences had been bridged, although tough negotiations could still lie ahead on some of the specifics. Both sides agree that Macao, a Portuguese colony since 1557, is Chinese territory. During the first round of talks, Lisbon sought to have Macao remain under Portuguese administration beyond 1997 in the hope that the tiny enclave would benefit from capital leaving Hong Kong after the British colony reverts to Chinese sovereignty, a Portuguese source in Beijing said. At other previous sessions, China had accepted the principle of "one country", two systems" for Macao, allowing the territory to maintain its economy, based on gambling and tourism from Hong Kong.

PRC Spokesman Comments

HK231059 Hong Kong AFP in English 1031 GMT 23 Oct 86

[Excerpts] Beijing, Oct 23 (AFP) -- The date Macao will revert to Chinese rule is still under discussion between China and Portugal and an announcement on the subject will be made in due time, a Chinese spokesman said here Thursday. "The matter is still under discussion and will be announced in due time" a Foreign Ministry spokesman said when asked about a Radio Macao report that the tiny enclave would revert to Chinese rule only after 1997, the date neighbouring Hong Kong becomes a special administrative region under Chinese rule. [passage omitted] During the first round of talks, Lisbon sought to have Macao remain under Portugese administration beyond 1997 in hopes that the enclave would benefit from capital leaving Hong Kong, Portuguese sources in Beijing said.

FBIS

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U.S. REITERATES XIZANG BEING PART OF PRC

OW231352 Beijing XINHUA Domestic Service in Chinese 0900 GMT 23 Oct 86

[Text] Beijing, 23 Oct (XINHUA) -- According to reports from Washington, U.S. Department of State spokesman Redman reiterated on 22 October that the United States recognizes Xizang as part of the People's Republic of China. He said that due to "technical negligence," Xizang was listed as a "country" in a recent U.S. Congress amendment to the Export-Import Bank Act.

In a reply to the Chinese Government's protest over the above-mentioned incident, Redman said: "The U.S. Government's stand on the status of Xizang is clear and unequivocal.... The United States recognizes Xizang as part of the People's Republic of China." Redman reiterated this statement made by President Reagan when he signed the amendment.

LI PENG ADDRESSES U.S. SCHOLARS ON EDUCATION

OW241112 Beijing XINHUA in English 1053 GMT 24 Oct 86

[Text] Beijing, October 24 (XINHUA) -- China is to readjust the present policy of sending students and scholars to study abroad, that is, sending them abroad according to the country's needs in carrying out the modernization program, Chinese Vice-Premier Li Peng said here today.

Li Peng, who is also chairman of the State Education Commission, made the remark here today when he was meeting a group of American scholars.

In realizing its modernization progam, China needs large numbers of people who are well-versed in applied sciences and economic management skills, the top Chinese education official said. But, he added, not many of those now studying abroad are working in these fields, and what some of them are studying is "not linked very closely" with the needs of the country's modernization drive.

He expressed the hope that American scholars could help the Chinese students and scholars now studying in the United States with access to American factories and research institutions so that they can learn more.

Speaking of Sino-Foreign exchanges in social sciences, the Chinese vice-premier pointed out: "It is wrong to think that only when China accepts Western culture and ideology lock, stock and barrel can we master advanced technology and management skills; it is likewise wrong to think that we should learn nothing from Western culture and art but technology and management skills.

"We may also learn what is proved to be healthy in Western culture apart from learning the advanced technology and management skills of the Western countries," he said, adding that China will send more students and scholars to study social sciences while promoting Sino-foreign academic exchanges in this regard.

Li Peng reiterated that sending students and scholars to study abroad is part of the country's policy of opening to the outside world and China will continue to do so in the coming years.

Statistics show that about 30,000 students are now studying abroad -- more than 50 percent of them in the United States.

TIAN JIYUN SAYS 'NO HOPE' FOR BETTER PRC-USSR TIES

HK240514 Hong Kong Hong Kong Commercial Radio in English 0430 GMT 24 Oct 86

[Text] Chinese Vice Premier Tian Jiyun, who is visiting Thailand, says there's no hope for better ties with the Soviet Union while Moscow continues its military aid to Vietnam. He says relations have not improved since the Kremlin leader Mikhail Gorbachev announced a conciliatory Far East policy last July.

According to Mr. Tian, there are no indications that the Russians are trying to ease regional tensions. Beijing has turned down several requests by Hanoi for normalized relations, because Vietnam still keeps its forces in Kampuchea.

PRC, USSR TO JOINTLY DEVELOP BORDER RIVERS

OW231650 Beijing XINHUA in English 1620 GMT 23 Oct 86

[Text] Moscow, October 23 (XINHUA) -- A Sino-Soviet agreement was signed here today to establish a committee to oversee matters to do with the Ergun and Heilong Rivers which form a long stretch of the international border dividing the two countries.

The agreement stipulates that the committee should guide a plan for the comprehensive utilization of the two rivers' water resources (power generation, flood prevention, navigation and water utilization) in an effort to enhance the development of the national economy of both countries.

The Chinese Ambassador to the Soviet Union Li Zewang and Soviet Minister of Land Improvement and Water Conservation Nikolay Feodorovich Vasilyev signed the agreement on behalf of their respective governments.

The two stressed that the agreement, signed on the basis of mutual respect and equal consultation, was advantageous not only to the peaceful co-existence of peoples along the rivers but also to the development of friendship between the two neighboring countries.

PRC JET IN S. KOREA, PILOT REPORTEDLY ASKS ASYLUM

HK240725 Hong Kong AFP in English 0721 GMT 24 Oct 86

[Text] Seoul, Oct 24 (AFP) -- A Chinese MIG-19 jet fighter landed at a South Korean airport near Chong-ju, south of Seoul, Friday, reliable sources said. The sources said the pilot appeared to be seeking political asylum in a third country. It was the sixth Chinese aircraft to land on South Korean soil in defection bid since 1982.

Search on for Missing Plane

OW241101 Tokyo NHK Television Network In Japanese 1000 GMT 24 Oct 86

[Excerpts] According to correspondent Igarashi in Seoul, the ROK National Defense Ministry announced this evening that another Chinese MIG-19 had landed in the ROK. [passage omitted]

Meanwhile, according to correspondent Takeda in Beijing, the Chinese Foreign Ministry has acknowledged the incident by issuing a statement saying that contact had been lost with a Chinese Air Force plane this afternoon and that a search is currently under way.

HU YAOBANG CRITICIZES PRO-TAIWAN GROUP IN JAPAN

OW231311 Tokyo KYODO in English 1248 GMT 23 Oct 86

[Text] Beijing, Oct. 23 KYODO -- Chinese Party Chief Hu Yaobang Thursday hit out a Japanese politicians within the ruling Liberal-Democratic Party for eulogizing Chiang Kai-shek, the late Chinese National leader.

Hu said the Japanese politicians who eulogize Chiang are doing their country wrong -- just like the Japanese Imperial Army which invaded China 50 years ago.

The target of Hu's outburst is a pro-Taiwan political group headed by former Prime Minister Nobusuke Kishi and former Lower House Speaker Hirokichi Nadao in honor of Chiang.

Hu made the criticism in a meeting with Japanese author Toyoko Yamazaki at Zhongnanhai, the private quarters for China's top leaders, Yamazaki later told reporters.

She said Hu had specially invited her for the meeting while she was gathering materials for a novel at Zhongnanhai.

Yamazaki said she had suggested that Hu tell Prime Minister Yasuhiro Nakasone what he thinks of the Kishi-Nadao group when Nakasone visits Beijing November 8-9.

Hu turned down the idea, saying that it would be "impolite" to do so since Nakasone will be travelling in China as a state guest. Hu asked Yamazaki to relay the message to Japan "because you are free to do so."

NAKASONE DECIDES NOT TO VISIT YASUKUNI SHRINE

OW171936 Beijing XINHUA in English 1644 GMT 17 Oct 86

[Text] Tokyo, October 17 (XINHUA) -- Prime Minister Yasuhiro Nakasone today decided not to visit the Yasukuni Shrine but more than 100 dietmen (parliamentary members) will visit it and attend a memorial ceremony that will begin there today.

The Japanese press has exposed the government's involvement in enshrining Class-A Japanese war criminals with other dead soldiers in the shrine, thus arousing strong public reactions in the country.

Enclosed in the Yasukuni Shrine were Japanese soldiers killed during the aggressive war including Class-A war criminals like Hideki Tojo.

Japanese prime minister and cabinet members' visit to the shrine before he had evoked strong indignation from its neighboring countries, especially China and Korea.

It is learnt here that 172 dietman of the Liberal Democratic Party (LDP) will visit the Yasukuni Shrine and attend the autumn memorial ceremony.

Three cabinet members -- Ministers of Transport Ryutaro Hashimoto, Director-General of the National Land Agency Tamisuke Watanuki and Director-General of the Science and Technology Agency Yataro Mitsubayashi will also pay a visit to the shrine.

LDP Secretary General Noboru Takeshita and the recently dismissed Minister of Education Masayuki Fujio are among the visitors.

Shrine sources said that Minister of Finance Kiichi Miyazawa and Minister of Education Masayuki Shiokawa will also visit the shrine during the autumn memorial ceremony that will end Sunday.

HU YAOBANG MEETS JAPANESE WRITER

OW231052 Beijing XINHUA in English 0849 GMT 23 Oct 86

[Text] Beijing, October 23 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, met and had a cordial talk with Japanese woman writer Toyoko Yamasaki here this afternoon. Yamasaki has visited China many times to collect materials for a novel on China she projected, She briefed Hu on her recent coverage in China at today's meeting.

HU QILI MEETS KOREAN YOUTH LEAGUE DELEGATION

OW232100 Beijing XINHUA in English 1456 GMT 23 Oct 86

[Text] Beijing, October 23 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee, met here today a delegation from the League of Socialist Working Youth of Korea led by its chairman Choe Yong-hae.

Song Defu, first secretary of the Chinese Communist Youth League Central Committee, was on hand. The Korean guests arrived here Tuesday.

FRONTIER GUARDS COUNTERATTACK SRV PROVOCATIONS

OW191408 Beijing in English to East and South Africa 1700 GMT 18 Oct 86

[Text] A Chinese Foreign Ministry Spokesman said: China's frontier guards have staged counterattacks against Vietnamese provocations along the Sino-Vietnamese border areas. The spokesman said: The Vietnamese troops have recently carried out frequent armed provocations in the Chinese border areas. The Chinese counterattacks are purely self-defense actions.

TIAN JIYUN CONTINUES TOUR OF ASEAN COUNTRIES

Meets Thai Foreign Minister

OW231919 Beijing XINHUA in English 1836 GMt 23 Oct 86

[Text] Bangkok, October 23 (XINHUA) -- Visiting Chinese Vice Premier Tian Jiyun and Thai Foreign Minister Sitthi Sawetsila met here today and had talks on regional and international issues of mutual concern, according to informed sources.

The sources quoted Tian as saying that China is willing to advance its cooperation with Thailand in economic and other fields to a new level.

Sitthi expressed satisfaction with the results of the talks between Tian and Deputy Prime Minister Phong Sarasin.

On behalf of his government, Sitthi conveyed through Tian Thailand's condolences on the death of China's veteran leader Marshal Ye Jianying.

At a banquet he gave in Tian's honor this evening, Sitthi listed a wide range of international problems, including nuclear threats, regional wars and economic recession, that affect the development and stability of various countries.

He said, "I believe that cooperation between Thailand and China will contribute to the solution of these problems, or at least the problems in the Asian region."

Tian expressed appreciation of Thailand's independent foreign policy and its adherence to the spirit of the U.N. Charter on major international issues.

He noted in particular that Thailand, along with other ASEAN countries, advocates a just solution of the Kampuchean problem on the basis of complete withdrawal of Vietnamese troops from Kampuchea.

Hopes for Increased Trade

OWQ240904 Beijing XINHUA in English 0852 GMT 24 Oct 86

[Text] Bangkok, October 24 (XINHUA) -- Visiting Chinese Vice Premier Tian Jiyun this morning attended an opening ceremony of the Thai-Chinese Promotion of Investment and Trade Association (TCPITA), at which he expressed the hope to further develop economic and trade relations between China and Thailand.

Earlier in August, Tian wrote in an inscription to the association: "To promote economic and trade relations between China and Thailand and strengthen friendship between their peoples."

Attending the ceremony were also Thai Deputy Prime Minister Chatchai Chunhawan and Foreign Minister Sitthi Sawetsila.

Sources of the TCPITA said that the aim of the association is to promote trade and investment as well as technical transfer between Thailand and China.

It will also help the association members and others in exchanging business information and analyzing investment conditions in the two countries, they said.

At noon Tian visited the Bangkok Bank, the biggest private commercial bank in Thailand.

With a history of over 40 years, the bank has a staff of over 20,000 who are working in some 20 organizations at home and abroad.

It has set up branch offices in Tokyo and Osaka in Japan, New York and Los Angeles in the United States, in the Southeast Asian countries, as well as in Hong Kong, Beijing and Taipei of China.

Tian has had three rounds of discussions with senior Thai officials, which was believed to have been concentrated on economic matters and regional issues.

He will be granted an audience with the King of Thailand Phumiphon Adunyadet this afternoon.

MALDIVES PRESIDENT PRAISES COOPERATION WITH PRC

OW232155 Beijing XINHUA in English 1516 GMT 23 Oct 86

[Text] Colombo, October 23 (XINHUA) -- Maldive President Maumoon Abdul Gayoom today expressed satisfaction over the development of economic and technical cooperation with China, according to a dispatch from Maldive capital Male.

While receiving Chinese Ambassador to Maldive Zhou Shanyan in the presidential palace in Male this morning, Gayoom said that he still had a fond memory of his visit to China in 1984.

The president asked Zhou to convey his regards to the Chinese leaders.

Zhou, concurrently ambassador to Sri Lanka, arrived at Male on October 20 and has met several Maldive ministers. He will meet Maldive Foreign Minister Fathullah Jameel on October 25 before leaving for Colombo.

ICELAND'S PRIME MINISTER ARRIVES IN SHENZHEN

OW212206 Beijing XINHUA in English 1530 GMT 21 Oct 86

[Text] Shenzhen, October 21 (XINHUA) -- Prime Minister Steingrimur Hermannsson of the Republic of Iceland and his wife arrived in the Shenzhen Special Economic Zone today via Hong Kong on a ten-day official visit to China at the invitation of Chinese Premier Zhao Ziyang.

They were greeted at the Luohu Bridge by Zhu Xun, chairman of the Chinese Government Reception Committee and minister of geology and mineral resources, and Li Hao, deputy governor of Guangdong Province and mayor of Shenzhen.

This evening, Li Hao gave a banquet in honor of Prime Minister Hermannsson and his party.

Li said that there exist good relations between China and Iceland, and recent years witnessed gratifying development of the relations in the fields of economy, trade and culture.

He noted that the current visit by Prime Minister Hermannsson would surely promote the friendly relations of cooperation between the two countries.

Hermannsson said the great achievements made by Shenzhen in a few years had laid a good foundation for further development.

"China's open policy has aroused great interest among industrial and commercial circles in Iceland," Hermannsson said. The industrialists and businessmen accompanying him on the visit "are to explore possibilities of bilateral trade and economic cooperation."

This afternoon, the prime minister and his party visited the Shekou industrial area in Shenzhen. They are scheduled to tour Guilin, Hangzhou and Xian before going on to Beijing.

Praises Open Policy

OW222222 Beijing XINHUA in English 1624 GMT 22 Oct 86

[Text] Shenzhen, October 22 (XINHUA) -- Icelandic Prime Minister Steingrimur Hermannsson praised China's open policy as revolutionary and of far-reaching significance here today.

Yesterday afternoon and this morning, the prime minister and businessmen from Iceland had discussions with Shenzhen industrialists and businessmen.

Vice-Mayor of Shenzhen Zou Erkang told the visitors that Shenzhen has signed contracts worth 3.7 billion U.S. dollars with foreign businessmen in the past six years, of which 1.2 billion have been used.

Hermannsson appreciated the achievements made by Shenzhen in such a short period.

He said that the goods displayed at the industrial products exhibition are competitive in quality and price. Businessmen accompanying him discovered that some of the products could sell in Iceland.

Hermannsson also suggested that China and Iceland explore ways of cooperation in fishing operations.

This morning, the prime minister also visited a joint-venture electronic enterprise and climbed the 53-story trade building to have a bird's-eye view of the Shenzhen Special Economic Zone.

Prime Minister Hermannsson and his party left Shenzhen this afternoon for Guilin via Guangzhou.

PRC, FINNISH COMMUNIST PARTIES RESUME RELATIONS

OW231142 Beijing XINHUA in English 1137 GMT 23 Oct 86

[Text] Beijing, October 23 (XINHUA) -- The Communist Party of China (CPC) and the Communist Party of Finland (CPF) have resumed their relations.

This was disclosed at a meeting between Chen Pixian, member of the Secretariat of the CPC Central Committee, and Olavi Poikolainen, secretary in charge of International Affairs of the CPF Central Committee.

They exchanged views on ways to further the ties between the two parties.

Poikolainen, the first CPF representative to visit China in over 20 years, arrived here Tuesday at the invitation of the International Liaison Department of the CPC Central Committee.

He held talks yesterday with Zhu Shanqing, deputy head of the International Liaison Department of the CPC Central Committee

LI PENG MEETS FINNISH COMMUNICATIONS MINISTER

OW201428 Beijing XINHUA in English 1228 GMT 20 Oct 86

[Text] Beijing, October 20 (XINHUA) -- Chinese Vice-Premier Li Peng met with Finnish Minister of Communications Matti Luttinin and his party here today.

They exchanged views on Sino-Finnish cooperation in the fields of telecommunications, posts and communications.

Luttinin and his party are visiting China as guests of the Chinese Ministry of Posts and Telecommunications and will attend the opening of a Finnish Hall of the 1986 Beijing International Telecommunications Exhibition.

TOP LEADERS EULOGIZE BRITISH WRITER FOR XINHUA

OW211755 Beijing XINHUA in English 1448 GMT 21 Oct 86

[Text] Beijing, October 21 (XINHUA) -- A meeting to honor the memory of Michael Shapiro, a long-tested close comrade-in-arms of the Chinese people and a veteran member of the British Communist Party, was held at the Babaoshan Revolutionary Cemetery here today.

Shapiro, who had worked in XINHUA NEWS AGENCY since he came to China in 1949, died of heart attack in Beijing on September 29 at the age of 76.

Born into a poor family in 1910, Shapiro first took part in the British workers movement when he was a young student at the London School of Economics. He joined the British Communist Party in 1934 and was held in high esteem by the British workers. At the end of 1949, at he invitation of the Chinese Communist party Central Committee, and on the assignment of the British Communist Party, Shapiro came to China to help with the work of reporting news of New China to foreign readers.

In the memorial hall there were wreaths sent by Chinese party and state leaders Hu Yaobang, Deng Xiaoping, Li Xiannian, Deng Yingchao and Wan Li and by departments under the CPC Central Committee and the State Council and the mass media.

Among the more than 400 attending the memorial meeting were Hu Qiaomu, Hu Qili, Huang Hua, Zhou Peiyan and Qian Xuesen.

Speaking at the momorial meeting, Mu Qing, director-general of XINHUA, said: "Over the past 37 years, Comrade Shapiro shared the trials and tribulations and the triumphs of the Chinese people and devoted his whole life to the cause of the Chinese people's revolution."

Mu Qing spoke highly of Shapiro's contribution to the training of senior journalists for XINHUA's overseas services and to the war of resisting U.S. aggression and aiding Korea in 1951 when he went twice to the battlefield of Korea with the Chinese People's Volunteers on reporting assignments.

During the decade of the chaotic "Cultural Revolution", Mu Qing said, Comrade Shapiro was persecuted by the Lin Biao and gang of four counter-revolutionary cliques and was illegally jailed for five years. His health was seriously damaged by this imprisionment.

However, Mu said, he came out unshake in his confidence in and affection for the Chinese Communist Party and was convinced that its cause was sure to win.

"Comrade Shapiro was highly praised by Chinese leaders Hu Yaobang and Deng Xiaoping for his loyalty to the revolutionary cause. He also won the admiration and respect of the Chinese people." Mu noted.

Michael Shapiro made indelible contributions to helping China's revolution and construction, enhancing the friendship between the British and Chinese peoples, and promoting the understanding the China amongst the people of the world, Mu said.

"As a British national, Comrade Shaprio always cherished a deep love for his motherland. Yet he selflessly dedicated the latter half of his life to the cause of the Chinese revolution. The Chinese people will remember this spirit of internationalism," he stressed.

The Beijing Municipal People's Government decided to post humously confer the title of "Honorary Citizen of Beijing" on Michael Shapiro.

Prior to the memorial meeting, Hu Qiaomu and Hu Qili met with Shapiro's widow and children as well as his relatives from Britain.

FURTHER REPORTAGE ON HONECKER'S VISIT TO PRC

More on Talks With Deng

LD231513 East Berlin ADN International Service in German 1245 GMT 23 Oct 86

[Text] Beijing, 23 Oct (ADN) — Erich Honecker, Socialist Unity Party of Germany [SED] Central Committee General Secretary, and GDR Council of State chairman, had a cordial meeting on Thursday, the third day of his visit to China, with Deng Xiaoping, member of the Political Bureau Standing Committee of the CPC Central Committee and chairman of the CPC Central Committee Central Advisory Commission.

Deng Xiaoping opened the friendly discussion with the statement that he agreed fully and completely with the view of Erich Honecker that relations between the two parties had never been broken off and that, therefore, there could not by any talk of a restoration. Erich Honecker added that relations between the two parties and states have been showing a constantly rising trend since the 3d Plenary Session of the 11th Central Committee in 1978 and that a new phase was being initiated with the present official friendship visit. He pointed out that relations between the two parties rest on revolutionary traditions which were forged between the Communist Party of Germany [DKP] under the leadership of Ernest Thaelmann and the Chinese Communists.

Deng Xiaoping recalled that he had a very cordial meeting with German Communists in 1925 when he travelled from Paris to Moscow via Berlin with a group of Chinese comrades. He spoke animatedly about the fact that they were hosted then by the families of German comrades who showed themselves to be real communists and internationalists. He added: At that time China was in a great revolutionary turmoil, and we could already sense then that the working class and the DKP, were displaying great sympathy with the Chinese revolution.

Therefore, I can only stress there is a long traditional friendship between the parties of the working class and the peoples of our two countries. We must continue to develop further this friendship, this mutual sympathy between the working class and the peoples. I am certain that cooperation between our parties and peoples will continue to unfold successfully.

Erich Honecker expressed his agreement with Deng Xiaoping's view. The SED is cultivating these great revolutionary traditions between the two peoples and parties, he said. The friendly feelings of the people of the GDR for the Chinese people are very strong, and we are holding the banner of mutual solidarity high.

During the luncheon which Deng Xiaoping then gave for his guests, the SED Central Committee general secretary expressed his deep satisfaction at the fact that the GDR and PRC regard the safeguarding of peace and the strengthening of socialism as the fundamental issues of our time. He stressed the importance of the policy of the Warsaw Pact states, which is aimed at the ending of the arms race and at disarmament. In this context he emphasized the far-reaching disarmament proposals which Mikhail Gorbachev submitted at his meeting with U.S. President Ronald Reagan in Reykjavik.

Deng Xiaoping supported these proposals. He noted that they contained something new and represented a good basis for negotiations. In order to achieve results, the other side must now also show flexibility.

With regard to SDI, he stated that China had been against the Star Wars project from the beginning. SDI was not a simple increase [words indistinct]. For it involved the militarization of space. As a further reason for a negative attitude to SDI, he stated that arming could still be verified on earth, but in space, verification would no longer be possible.

Erich Honecker invited Deng Xiaoping to pay a visit to the GDR. The invitation was accepted with gratitude.

Honecker Tours Beijing Combine

LD231328 East Berlin International Service in German 0445 GMT 23 Oct 86

[Excerpts] Beijing, 23 Oct (ADN) — Erich Honecker convinced himself of the growth in performance of the Chinese economy, the diligence and skill of the production workers, technicians and engineers during an inspection of the Shoudu Metallurgical Combine in Beijing today. This combine is one of the PRC's most important and modern iron and steel producers.

A cordial reception was given to the general secretary of the SED Central Committee and chairman of the GDR Council of State on his arrival at the parent enterprise of the combine in the morning of the 3d day of his visit. Members of the work force from many departments welcomed the highest representative of the GDR and those accompanying him on the journey within the extensive works site on the western outskirts of the Chinese capital. There were cordial encounters with working people during his stop at one of the blast furnaces, in the rolling mill and in control rooms. [passage omitted]

Honecker presented a wall hanging with a picture of Ernst Thaelmann as a greeting to the work force. He signed the guest book with a tribute to this tradition-rich center of the Chinese working class, which has become a symbol of socialist construction in China. The results which have been achieved by the working people of the Beijing combine under the leadership of the communists in the modernization of the national economy are impressive, the dedication says. "We see in the cordial reception for us an expression of the traditional friendship between our parties, states and peoples. Our joint activity will always serve the preservation of world peace and the successful construction of socialism for the well-being of our peoples."

On leaving, Erich Honecker wished the general director success in the striving for the highest possible level of production. This is also the goal of the GDR. There were also wishes for success for the party secretary in the work of the party organization of the Beijing combine.

Tours Great Wall

OW231240 Beijing XINHUA, in English 1227 GMT 23 Oct 86

[Text] Beijing, October 23 (XINHUA) -- German Democratic Republic leader Erich Honecker and his party toured a section of the Great Wall, symbol of the long history of the Chinese nation, here this afternoon.

Accompanied by Chen Haosu, vice-mayor of Beijing, Honecker wearing a dark bule overcoat and black hat, climbed the Great Wall and had a bird's-eye view of the beautiful scenery in northern China.

When presented a certificate of climbing the Great Wall at the foot of the wall, Honecker said, "I believe the visit will strengthen the friendship between the peoples and the parties of our two countries."

The G.D.R. leader also spoke highly of the creativeness of the Chinese people, calling the Great Wall "a magnificent project comparable to other architectural wonders in the world."

At Ding Ling, one of the tombs of Ming Dynasty emperors, Honecker told reporters that he was deeply impressed by the efforts of the Chinese people who treasure their history and draw experience and lessons from it.

This morning Honecker and his party visited the capital iron and steel company. Making an entry in the visitor's book, he praised the achievements of the workers of the company in the modernization program under the leadership of the Chinese Communist Party.

Honecker Toast at Dinner

LD231558 East Berlin ADN International Service in German 1312 GMT 23 Oct 86

[Text] Beijing, 23 Oct (ADN) -- This is the text of the toast by Erich Honecker, general secretary of the SED Central Committee and the chairman of the GDR State Council [at a dinner today for Li Xiannanian]:

Allow me to welcome you most cordially to this reception and to thank you for responding to my invitation. We have had the opportunity for a comprehensive, profound exchange of views in the past days.

All meetings were characterized by openness and mutual understanding. If we draw any conclusions today, we can say that we did good work in the interest of our parties, states and people, and in the interest of socialism and peace.

The climax of our visit was our tour of the Beijing steelworks today. We are all deeply impressed by the hard work and creativity of the Chinese working people in implementing the ambitious targets of the Seventh 5-Year Plan. The visit to these works made it very clear that the Chinese working class is performing great feats in the construction of socialism in China under the leadership of the Communist Party. We were moved by the feelings of friendship we encountered among the workers and employees of the works. They spoke with joy and satisfaction about the good development of relations between our two states and peoples. Esteemed comrades and friends, I can only agree with that.

Our cooperation in the political, economic and cultural spheres has dynamicly developed particularly in the last 3 years. I am sure that a new chapter is being written in bilateral relations with my present visit to the PRC. We learned with pleasure that this is also the honest wish of the leading representatives of the Peole's Republic of China. That makes us very optimistic for the future. As we said at the 11th SED Congress, the SED and the GDR always pay great attention to relations with the PRC. Noteworthy achievements have been made possible through mutual efforts in many spheres, particularly in the economic sphere. The forthcoming signing of an "agreement on the development of long-term economic and scientific-technological cooperation between the GDR and the PRC" will create a firm basis for economic cooperation.

These great joint tasks can be realized only in peace. It fills us with satisfaction that you, dear comrades, and we equally see the highest tenent of the present as the safeguarding of peace on our planet. All our talks focused on this subject.

The GDR and the PRC agree that the arms race on earth must be ended and must not be permitted in space. Let us do everything so that mankind enters the next millenium without mass destruction weapons. All states, big and small, bear a large measure of responsibility for the future of our children and grandchildren. As a member of the Warsaw Pact, the GDR works at the side of the Soviet Union and the other socialist states for the realization of an active socialist foreign policy to safeguard peace on earth and in space.

The GDR will continue to make its specific contribution, through an active policy of dialogue wih all forces of reason and realism in order to attain the urgently needed return to detente in international relations.

We have felt very much at home in Beijing. Friendship with the people of the GDR is to be found everywhere. Be assured that our people harbor the same feelings of sincere friendship for the Chinese people and are glad with all their hearts at their clearly visible successes in socialist construction.

Although the time of our stay in Beijing is limited, we have had the opportunity to acquaint ourselves better with world-famous evidence of Chinese history, evidence of the creativity of the Chinese people. The visits to the Imperial Palace, the Ming tombs, and the Great Wall, which one can see even from space, as we were told, we will not forget.

We have come to know Beijing as a city in which the old is impressively combined with the new. The impression that the capital and its inhabitants are now experiencing the happiest time of their entire history is the strongest. May I wish the people of Beijing new great successes and convey greetings from Berlin, the capital of the GDR. I add that the Berliners are already looking forwared to the visit of a representative delegation from the Beijing City on the occasion of the 750th anniversary celebration of our capital city.

I reiterate, honored Comarde Li Xiannian, that it is the sincere concern of the GDR to cultivate and develop further the traditional friendship between our two states and peoples.

Text of Li Xiannian Toast

LD232038 East Berlin ADN International Service in German 1324 GMT 23 Oct 86

[Text] Beijing, 23 Oct (ADN) -- The text of the toast by the president of the People's Republic of China, Li Xiannian, is as follows:

It gives us great pleasure that we have the opportunity once again to meet the prominent guests from the GDR before Comrade Erich Honecker leaves Beijing. First, allow me to cordially thank the host of this banquet, Comrade Erich Honecker, for the kind invitation and for the most friendly words which he has spoken about our state and our people.

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Over the past few days Comrade Erich Honecker has had sincere, friendly and fruitful talks with Comrades Hu Yaobang, Deng Xiaoping and Zhao Ziyang and with me on bilateral relations and international questions.

We note with great satisfaction that the two states, although far apart geographically and having different conditions, are concentrating on socialist construction, support international detente and the safeguarding of world peace and have the sincere wish to develop bilateral relations. This means that the friendly cooperation between us has a solid foundation. Tomorrow we willsign the agreement on the development of long-term economic and scientific-technical cooperation, which stretches over a period of 15 years. With this agreement we will create even more favorable conditions for a stable and comprehensive development of relations between our two countries. I would like to warmly congratulate Comrade Erich Honecker here and now on his successful visit and ask him on his return home to convey the best wishes of the Chinese people to the people of the GDR.

Tomorrow and the day after Comrade Erich Honecker will be visiting Nanjing and Shanghai in order to brief himself on the work and life of the working people of our country in implementing socialist modernization. I am sure that you will be warmly received by the people there, too, and once again experience the deep sympathy of the Chinese people for the people of the GDR. In conclusion I wish you, Comrade Erich Honecker, and all the comrades accompanying you a pleasant journey.

Cooperation Agreements Signed

OW240825 Beijing XINHUA in English 0809 GMT 24 Oct 86

[Text] Beijing, October 24 (XINHUA) — An agreement on the development of the long-term economic, scientific and technological cooperation between China and the German Democratic Republic was signed here this morning.

Present on the occasion were Chinese President Li Xiannian and Erich Honecker, general secretary of the Central Committee of the German Socialist Unity Party and chairman of the State Council of the GDR.

Vice-Premier Li Peng and Vice-Chairman of the State Council of the GDR Guenter Mittag signed the agreement on behalf of their respective countries.

According to the agreement valid for 15 years, the two sides will further explore the possibilities of bilateral economic, scientific and technological cooperation and of the exchanged of their commodities in machine-building, electric and electronics industries, agriculture, forestry, animal husbandry, fisheries, ferrous and non-ferrous metal raw material and precision processing industries, petroleum processing as well as coal exploration.

This morning the two countries also signed a protocol for 1987 on the exchange of goods and payments between the two governments.

The protocol was signed by Zheng Tuobin, minister of foreign economic relations and trade, and Gerhard Beil, minister of foreign trade of the GDR.

More on Cooperation Agreement

LD241130 East Berlin ADN International Service in German 0511 GMT 24 Oct 86

[Text] Beijing, 24 Oct (ADN) -- In the presence of Erich Honecker, Socialist Unity Party of Germany (SED) Central Committee general secretary and GDR State Council chairman; Li Xiannian, president of the People's Republic of China; Dr Guenter Mittag, member of the Politburo and secretary of the SED Central Committee, GDR State Council, deputy chairman; and Li Peng, member of the Political Bureau and secretary of the CPC Central Committee, PRC State Council vice premier; signed an "agreement on the development of long-term economic and scientific-technological cooperation between the GDR and the PRC."

On the basis of the fundamanetal agreements between Erich Honecker, SED Central Committee general secretary and GDR State Council chairman and the leading representatives of the PRC for the development of bilateral relations, this agreement delineates the main direction of economic and scientific-technological cooperation for the next 15 years. Starting from the role of scientific-technological progress as the central factor in the intensification of the national economy and as the main source of growth in performance and effectiveness, both states intend to open up new fields of mutually benefical cooperation. By this means they are pursuing the aim of promoting the steady development of the national economies and a stable increase in bilateral trade.

The agreement lays down the main areas of future cooperation which are to be filled in with concrete agreements by the organs concerned of both states. Main points of emphasis of long-term expanding bilateral cooperation include machine construction, electrical engineering and electronics, the coal industry, the chemical industry, agriculture as well as other areas of the national economy such as environmental protection, health and internal trade.

The agreement establishes in particular, the development and widespread use of key technologies, and the higher processing of raw materials, product replacement, as well as the reconstruction of existing production capacities is accorded growing importance. Both sides agreed to make use of manifold forms in the development of economic and scientific-technological cooperation.

The GDR-PRC Committee will have special responsibility for implementing the agreement for cooperation in the fields of the economy, foreign trade, and science and technology, the GDR-PRC Standing Committee for Scientific-Technological Cooperation, as will the State Planning Commissions of both countries.

Also present at the signing of the agreement were: for the GDR: SED Central Committee members Oskar Fischer, minister of foreign affairs; Gerhard Beil, minister of foreign trade; Guenter Sieber, head of the International Relations Department of the SED Central Committee; and State Secretary Frank-Joachim Herrmann, head of the chancery of the State Council chairman, as well as Rolf Berthold, ambassador extraordinary and plenipotentiary of the GDR to China.

For the PRC: CPC Central Committee Political Bureau member Wu Xueqian, state councillor and minister of foreign affairs; Zhu Liang, head of the International Liaison Department of the CPC Central Committee; Zheng Tuobin minister of foreign economic relations and trade; Qin Zhongda, minister of chemical industry; Gan Ziyu, deputy chairman of the State Planning Commission, as well as Ma Xusheng, the ambassador extraordinary and plenipotentiary of the PRC to the GDR.

Earlier, the GDR and PRC ministers of foreign trade, Gerhard Beil and Zheng Tuobin, signed the protocol for exports and imports for 1987 on the basis of the government agreement on trade and payments in the years 1986-1990.

An agreement for the supply of 300 railroad cars for the Chinese railroad was concluded between the Schienenfahrzeuge Export-Import of the GDR and the China National Machinery Import and Export Corporation on the basis of the agreement on trade and payments in the years 1986-1990. The vehicles, built by the VEB Waggonbau Bautzen, will have full air-conditioning and can be used in all PRC climates on long-distance journeys.

This is the largest single agreement on railroad cars so far between the GDR rail vehicle industrial branch and Chinese railroads. On this basis it will be possible over many years to expand and deepen significantly the numerous relations in this economic sphere between the GDR and the PRC.

The GDR foreign trade enterprise Textilcommerz reached agreement on comprehensive supplies of textiles, including children's clothes and underwear as well as cotton fabrics, to be supplied by Chinese foreign trade companies to the GDR.

Trade Ministers Praise Ties

LD241028 East Berlin ADN International Service in German 0450 GMT 24 Oct 86

[Text] Beijing, 24 Oct (ADN) -- During the official friendship visit of Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, to the PRC, Gerhard Beil, GDR minister of foreign trade, held consultations on Friday with Zheng Tuobin, PRC minister of foreign economic relations and trade.

The two ministers agreed that foreign trade relations are also developing well in 1986. The foundations for this are the agreement on exchange of goods and payments for the years 1986-1990 concluded between the governments of the GDR and of the PRC in 1985 and long-term foreign trade contracts and agreements between foreign trade enterprises and combines of the GDR and Chinese foreign trade organizations.

Minister Zheng Tuobin paid tribute to the results attained, which have contributed to deepening economic cooperation between the two countries. The Chinese side pointed with particular satisfaction to the fact that important foundations have now been created for a further dynamic and long-term development of foreign trade between the two countries. In this connection, the Chinese minister expressed his appreciation for the machinery and equipment which are being used successfully in the PRC in large quantities, such as in railway vehicles and road vehicles, electrical engineering plant and equipment for agriculture and the food and semiluxury foodstuffs industry.

Honecker Talks With Li Xiannian

LD241137 East Berlin ADN International Service in German 0458 GMT 24 Oct 86

[Text] Beijing, 24 Oct (ADN) -- Before his flight to Nanjing, Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, met for a farewell talk in Beijing today with Li Xiannian, president of the PRC. The two statesmen paid tribute to the present visit as a new chapter in relations between the two countries.

With the agreement on the development of long-term economic and scientific-technological cooperation, an extraordinarily important document has been signed, Erich Honecker said. It has now to be implemented. Li Xiannian stressed that Erich Honecker's visit to the PRC is contributing not only to the development of bilateral relations, but also to the overall expansion of relations between the socialist countries.

Finally, Li Xiannian handed Erich Honecker a photograph album as a souvenir of the visit to Beijing, which the president personally signed.

Honecker, Wu Xueqian to Nanjing

OW240704 Beijing XINHUA in English 0700 GMT 24 Oct 86

[Text] Beijing, October 24 (XINHUA) -- Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the State Council of the German Democratic Republic, left here for Nanjing by special plane this morning in the company of State Councillor and Foreign Minister Wu Xueqian.

Before his departure, Chinese President Li Xiannian bid him and his party farewell at the State Guesthouse. Li described Honecker's visit as having opened a new chapter for bilateral relations.

Honecker said he was satisfied with the results of his visit, which has further promoted the traditional friendship between the two countries. "We speak highly of our meeting here with Chinese leaders," he said, adding that "Beijing, and particularly your candidness and hospitality have left us a good impression."

Arrival in Nanjing

LD241033 East Berlin ADN International Service in German 0504 GMT 24 Oct 86

[Text] Beijing, 24 Oct (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, arrived in Nanjing, capital of Jiangsu Province, on the fourth day of his official friendship visit to the PRC. At the airport of this city with 2.5 million people which was adorned with the state flags of the GDR and China, the guests were cordially welcomed by Han Peixin, secretary of the provincial CPC Committee, and Gu Xiulian, governor of the Jiangsu provincial people's government. Cheng Weigao, secretary of the municipal CPC Committee; Mayor Zhang Yaohua, and other personages were present for the welcoming. During his journey in the region Erich Honecker is accompanied by Wu Xueqian, member of the CPC Central Committee Political Bureau, state councillor and minister for foreign affairs of the PRC. Thousands of inhabitants of Nanjing gave the guests a friendly greeting on their journey to the residence, the Jinling Hotel.

Hu Yaobang Hosts Luncheon

OW241100 Beijing XINHUA in English 1044 GMT 24 Oct 86

[Text] Nanjing, October 24 (XINHUA) -- Chinese Communist Party leader Hu Yaobang said here today that talks between Erich Honecker, top leader of the German Democratic Republic (GDR), and Chinese leaders have achieved satisfactory results.

Hu, general secretary of the Chinese Communist Party Central Committee made this remark at a luncheon he hosted in honor of Honecker, general secretary of the German Socialist Unity Party and chairman of the GDR State Council, here today.

State-to-state relations should be established on the basis of the five principles of peaceful coexistence. Countries with different social systems should adhere to these principles and socialist countries should set an example for the world in this regard, he said.

Hu pointed out that actions to interfere in, invade or bully other countries are against the guidelines governing international relations. "China firmly opposes all these injustices," he stressed. China fully understands the concern of the GDR people and people of the other European countries over the situation in Europe. As Europe occupies a vital position in the world's political and economic life, with the highest concentration of armies and weapons and serious military confrontations in the world, the situation in Europe has a bearing on world peace, Hu said.

China sincerely hopes that countries in Eastern and Western Europe, including the two German states, will increase dialogues, relax their relations and expand contacts, Hu said. "We admire the unremitting efforts made by the GDR, led by Honecker, in advocating a series of important proposals for safeguarding peace in Europe and in the rest of the world. I believe that so long as the peace-loving people throughout the world act, there is great hope for peace and stability in Europe and Asia, as well as in the rest of the world."

In his reply, Honecker said that his visit to China has turned a new page in the history of relations between the German Socialist Unity Party and the Chinese Communist Party. He wished all the members of the Chinese Communist Party and all the working people of China new achievements in welcoming the convocation of the 13th Congress of the Chinese Communist Party and in their future socialist construction.

The two parties, he said, have agreed that socialist construction can be carried out smoothly only in a peaceful environment, and it is the primary task today to safeguard peace. An end must be put as soon as possible to the arms race which is threatening the existence of the people of various countries, he stressed.

He reiterated that the GDR supports all proposals and suggestions aimed at easing the international situation and making it healthy. "We will continue to form wise and realistic alliances and cooperate with all forces sincerely wishing for peace in the world," he added.

He pledged that the GDR would further its cooperation with China in strengthening socialism and safeguarding peace.

Before the luncheon, Hu and Honecker held talks to exchange views on issues of common interests.

TA KUNG PAO ON HONECKER'S VISIT TO CHINA

HK230939 Hong Kong TA KUNG PAO in Chinese 23 Oct 86 p 2

["Political Talk" column by Shih Chun-yu: "Honecker's First Visit to China Is of Extraordinary Significance"]

[Text] Democratic German leader, state president, and party General Secretary Honecker arrived in China a few days ago for an official visit. His current visit to China is the first visit of an East German supreme leader since the two countries established diplomatic relations 37 years ago. [paragraph continues]

This visit indicates that China's relations with countries in Eastern Europe will certainly be further developed. Honecker's current visit is therefore being watched by the world and particularly by Eastern and Western Europe.

Hu Yaobang said: "Honecker's visit indicates that friendship between China and Germany, between the two parties, and between the peoples of the two countries has entered a new stage." These words have confirmed that Beijing attaches importance to the East German leader's visit and that China and East Germany have in fact established party relations.

In the past, China only maintained good party and governmental relations with two East European countries, namely Yugoslavia and Romania, and its relations with other East European countries only involved economic and cultural exchanges. When China and the Soviet Union quarreled in the 1960's, every East European country, except Yugoslavia and Romania, followed the Soviet Union, cooled their relations with China, and suspended their party relations with China.

China's contacts with East Germany, Bulgaria, Czechoslovakia, Hungary, Poland, and other East European countries have been gradually restored over the past 2 years. The restoration of contacts began with the development of economic and trade relations. This was followed by exchanges of delegations led by vice premiers or ministers. As for party relations, they were not restored.

On the premise of the policy of opening up, China and Eastern Europe have ceased their contention in the ideological field. Both sides have started from the viewpoint of dealing with concrete matters relating to work, have improved state relations, and have developed trade and economic relations. There has been an uninterrupted improvement in Sino-East German relations since 1983. Vice Premier Li Peng visited East Germany last year. Foreign Minister Wu Xueqian visited East Germany in May this year. Wu Xueqian's visit to East Germany and other East European countries was the first visit of a Chinese foreign minister for more than 20 years. East Germany last year sent its People's Chamber President Sindermann to China. East German Minister of Education Margot Honecker, wife of the state president, visited Beijing at the end of June this year.

Sino-East German contacts were expanded after Gorbachev's assumption of power. In particular, after Gorbachev's speech on his wish to develop relations with China, delivered in July at Vladivostok, East European countries, have all strengthened their contacts with China.

Prior to Honecker's visit to China, Polish party First Secretary Jaruzelski paid an unofficial visit to China. The East German supreme leader's current visit to China indicates that East European countries' party and state relations with China have been further developed. This is a new thing brought about by the new policy of Gorbachev. The more important thing is that China's peace diplomacy and its policy of opening up have enabled countries all over the world to get a deeper and deeper understanding of Beijing's moderate line. We expect that after Honecker's visit to China, China's party and state relations with all East European countries will enter a new stage.

ZHAO ZIYANG CONDOLES OVER MACHEL'S DEATH

OW231344 Beijing XINHUA in English 1328 GMT 23 Oct 86

[Text] Beijing, October 23 (XINHUA) -- Chinese Premier Zhao Ziyang went to the Mozambican Embassy here today to tender his condolences on the death of Mozambican President Samora Machel.

Zhao told Ambassador Lopes Tembe Ndelana that the Chinese Government will send State Councillor Song Ping to attend the funeral.

Wreathes were sent in from Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party (CPC), Li Xiannian, president of China, and Zhao Ziyang, and the International Liaison Department of the CPC Central Committee, the Ministry of Foreign Affairs, the Beijing Municipal People's Government, the Chinese People's Association for Friendship with Foreign Countries and the China-Africa Friendship Association.

Zhao stood in silent tribute before the portrait of President Machel. He wrote in the visitors' book, "Samora Machel, as an outstanding leader of the Mozambican people, made important contributions in winning and consolidating Mozambique's independence and building up the country. In the death of President Samora Machel the Chinese people have lost a respected old friend. We express our deep condolences on his unfortunate death."

In a short conversation with Ambassador Ndelana, Zhao said President Samora Machel always attached great importance to Sino-Mozambican relations and the Chinese people were grieved at his death.

The Chinese premier pledged to strengthen China's friendly relations with Mozambique and firmly support the Mozambican people's just struggle against South African apartheid.

Among those going to the embassy to offer their condolences were Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress, Zhu Liang, head of the International Liaison Department of the CPC Central Committee, and leading member of other departments.

SONG PING DELEGATION CONCLUDES VISIT TO ZAMBIA

OW232145 Beijing XINHUA in English 1458 GMT 23 Oct 86

[Text] Lusaka, October 23 (XINHUA) -- The Chinese Government delegation led by State Councillor Song Ping concluded its seven-day official visit to Zambia today.

During its stay, the delegation attended the ceremony of the completion and handing-over of the Serenje-Mansa Road constructed with Chinese assistance.

Song Ping and other members of the delegation called on Zambian President Kenneth Kaunda and held talks with Zambian party and government leaders Grey Zulu, K.S.K. Musokotwane and A.K. Shapi. Song Ping and Zambian Prime Minister Musokotwane signed an agreement on the establishment of a China-Zambia Joint Committee on Economy and Trade on behalf of their respective governments.

Of course, mistakes of a partial nature do exist in the literary exploration of humanism. However, these mistakes do not occur because humanism is dealt with, but because of the negligence of the historical and specific nature characteristic of humanism in the handling of specific subject matters. As a result, such major issues as the right and wrong in the land reform, the War of Resistance Against Japan as well as the War of Liberation are eliminated. However, we should not simply negate the historical progressive nature of the rise of the great humanism trend in China because of the emergence of mistakes of a partial nature.

II.

The awareness of being one's own master is another major aspect in the expression of the subjective sense of history in literature. To abandon the narrow concept of history and thinking pattern characteristic of the theory of the unique importance of class struggle, to adopt the humanism criteria for human value, and to re-evaluate history, all this is precisely the reflection of the awareness of being one's own master. The awareness of being one's own master derives from man's sure confidence in his own value, which instinctly demands man's sure confidence in his own value, which instinctly demands man's independent judgment of social life, historical process, historical events, and historical personalities, when he does not have to submit to external pressure, the will of God, or traditional standards. The gradual founding of such awareness of being one's own master is an important psychological condition for the awakening of the sense of history, as well as the precondition for literature and art returning to what they are, the aesthetic individuality of the writer, and a gradual increase in the variation of artistic style. When the artist is still subject to some external bondage, and when he is still consciously or unconsciously suppressing his own feelings, will and reason, and when he let others gallop in his own mind, there is no awareness of being his own master to speak of. In the poem "To the Oak Tree," Shu Ting expresses the strong aspirations for the awakening of the awareness of being one's own master. The poetess pursues her own independence and its value. We should not meerely regard such pursuit as the thirst for feminist liberation, or a young lady's declaration on her ideal love. The more important is that it should be regarded as the historical symbol of an awakening times. Without an independent personality, without independent judgment of reason, man will become a body without a soul, and a shadow without life, then, where is there any awareness of being one's own master? Where is there any judgment on history of one's own? Under such circumstances, history can only be a monotonous pattern casting its shadow in all categories of works of literature and art.

However, the reason at work will not willingly accept the fate of a life sentence. So long as the possibility exists, it will try its utmost to break through the cage it is confined in. Therefore, the awareness of being one's own master is actually striving for the rights of independent thinking and independent judgment under the condition of cultural dictatorship, and it primarily gives expression in the strong doubt and negation of the existing order, the existing lifestyle and mode of thinking. Perhaps some young people have overstressed the negative factors in historical movement, and they have expressed too much pessimism and sentimentalism. However, the yearning for the ideals of a new century is still active between the lines of their poems otherwise, they could not have been so stubborn, so thorough, and so extreme in their negation.

At the critical juncture of historical changes, emerging new concepts are often nurtured in their negation and doubt of old concepts. It will take a greater opposite force to get rid of some ideology, which is used to its movement in an established orbit, and has formed great inertia; otherwise, the existence and vitality of new concepts will be very difficult, not to say their development and blazing new trails. Perhaps, the emergence of some extremities is inevitable when such opposite force is

III.

The concept of the hero takes up a very important place in people's sense of history. This concept involves the understanding of the roles of heroes and the masses in historical development, as well as people's concept of value. What moral characters of a man worthy of the title of a hero are often embodied in the judgement of human value of a times and a nation. The concept of the hero is actually an ideal criterion for human value.

In a stagnant, ossified, and unalterable historical environment, social and cultural psychology had the tendency of following the beaten path. At such time, the concept of the hero would often stress obedience to the established order. While on the eve of historical change or in its course, the social and cultural psychology had the tendency to seek and create new things. Under such circumstances, a new concept of the hero would often emerge, which stressed rebellion against the extablished order. Feudal cultural concept staged an all-round comeback by and by in the mid-1950's. Such a comeback was launched in the name of revolution, and adorned with Marxist phrases. Its outward appearance was characterized by dogmatism, and fanatic "leftism," but its soul was none other than feudalism. In superficial disturbances, the society bogged down over a terribly long period, during which any original thinking would be regarded as "heretical," labelled "bourgeois," or "revisionist," and forbidden. So, superficially, the concept of the hero developed in two opposite directions. On the one hand, the concept of hero was linked with the personality cult. Hence, we had such an absurd thesis that the hero "emerged once in a few thousand years in China, " and "once in a few hundred years in the world." In political ideology, such personality cult, superstition in the will of the powers that be, and the deification of the leader reflected the peasants' concept of feudal imperial power under the patriarchal clan system. The expression of such an anti-Marxist concept of the hero in the field of literature was first the "literature of deification"; and second, the principle of "giving prominence to the three aspects" in literary theory. On the other hand, the principle of "becoming obedient tool of the party" and Lei Feng's spirit of "willingly serving as a cog in the machine" were stressed in the concept of the hero, as well as the blind loyalty to the will of the powers that be. In a considerable length of time, the images of heroes in our works of literature and art were largely affected by such a concept. It is not difficult to see that, such a concept of the hero was in effect an indispensable supplement to the personality cult.

When such a concept of hero dominated, a person like Zhang Zhixin was considered an unpardonably wicked "heretic," thrown into prison, and cruelly crucified. She died a martyr, safeguarding her right to think independently as a revolutionary. Therefore, Zhang Zhixin was posthumously admitted to be a heroine by the people. This cannot but reflect the basic change in the concept of value. The most brilliant and essential thing in Zhang Zhixin was her unbending faith in her sense of independence, which was a spiritual base for her courage of disobedience to erroneous leadership, and refraining from blind loyalty, as well as her courage of adherence to truth. This included the spirit of opposing the personality cult and the rebellious spirit of going against the tide.

The shaping and founding of the new concept of the hero is of far-reaching significance whether to the change in the social and cultural concept or the change in literature. The new concept of hero as a criterion for value of ideal and ideal personality in people's social and cultural concepts has greatly promoted people to make evaluation on historical events and historical personalities anew. Regarding literary creation, it has promoted the writer to rethink the fate of his characters from an angle different from the past. In "The Case Story of the Criminal Li Tongzhong," the author Zhang Yigong deals with the image of Li Tongzhong as a hero, and his fate is tainted with a lofty tragic tone. In "The Legend of Tianyun Shan," the author Lu Yanzhou deals with Luo Qun and Wu Yao in contrast, and the character of Luo Yun is endowed with some heroic qualities. Both of these novels have reflected the change in the concept of the has promoted the writer to rethink the fate of his characters from an angle different from the past. In "The Case Story of the Criminal Li Tongzhong," the author Zhang Yigong deals with the image of Li Tongzhong as a hero, and his fate is tainted with a lofty tragic tone. In "The Legend of Tianyun Shan," the author Lu Yanzhou deals with Luo Qun and Wu Yao in contrast, and the character of Luo Yun is endowed with some heroic qualities. Both of these novels have reflected the change in the concept of the hero, and revealed a new sense of history. In the literature of the new historical stage, Liu Binyan is the most important writer, who has consciously pondered on the concept of hero and the concept of human value. He often analyzes, describes, and evaluates his characters in the overall historical situation. He specializes in reportage, which is characteristic of fact-recording, his works are often tainted with the colors of his own character, including both his emotion and reason. The poems in "A Collection of Lyrics by Shao Yanxiang" display a profound understanding of heroes and history, from which we can detect the poet's specific mental progress in the evolution of the concept of hero as well as his soaring spirit in the awakening of the subjectives sense. This explains that through arduous and tortuous historical practice and as arduous and tortuous an ideological progress, people have eventually come to understand that man is, after all, the subject of history, while hero is but a comparatively typical individual from of the subject. Such a concept of hero is not only the ideal criterion for the human value of the individual subject but also an important basis in the judgment of history.

AIR FORCE USES LASERS IN COMBAT EXERCISE

HK240701 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1426 GMT 22 Oct 86

[Text] Beijing, 22 Oct (ZHONGGUO XINWEN SHE) -- The Chinese Air Force conducted its first simulated combat exercise with real soldiers using laser and electronic devices in a certain place in north China.

The current exercise means that the Chinese Air Force has attained major success in conducting military exercises on a scientific, real combat basis.

The task of the current exercise is "surprise attacks on the enemy's strategic points by the Red Army's Air Force in a defensive war." New-type fighters, bombers, attack planes, transport planes, and helicopters as well as parachute troops, armoured corps, an antiaircraft unit, and a ground-to-air missile unit took part in the exercise. During the exercise, a red and a blue army carried out four tactical combat tasks of reconnaissance and counter-reconnaissance, contention for control of the air, air attacks and counterattacks, and parachute landing and anti-parachute landing.

The weapons used by the air and ground forces in the exercise were equipped with laser and electronic devices. When the fighter planes were engaged in air combat or attacking ground targets, they used laser and electronic waves instead of shells, missiles, and bombs. When a target is hit, the receiver attached to it will send signals and set off colored smoke and the weapons will then automatically stop functioning, losing its effectiveness. Meanwhile, computers will automatically record the time taken for aiming and hitting the target and the number of hits. As soon as the exercise is finished, the losses of both sides; red and blue, will immediately appear on the computer screens.

According to a person in charge of the Air Force Training Department, a training system using simulated devices in air battles, air-to-ground bombing raids, ground-to-air shooting, and parachute landing has begun to take shape. The laser and electronic devices used in the current exercise are of a fairly high scientific and technological level.

Some 1,000 people, including Deputy Chief of Staff Xu Huizi and other leaders of the three general departments of the PLA, Air Force Commander Wang Hai, and leaders of the various arms and services of the PLA units stationed in Beijing, watched the exercise.

YANG SHANGKUN SPEECH AT LONG MARCH MEETING

OW230407 Beijing XINHUA Domestic Service in Chinese 0903 GMT 22 Oct 86

["Speech by Yang Shangkun at the 22 October 1986 Meeting Marking the 50th Anniversary of the Victory of the Red Army's Long March" — XINHUA headline]

[Text] Beijing, 22 Oct (XINHUA) — Comrades:

We are holding this grand meeting today to mark the 50th anniversary of the victory of the Long March of the Chinese Workers' and Peasants' Red Army. Fifty years ago, the Red Army's 1st, 2d and 4th Front Armies triumphantly linked up in the Huining region of Gansu after a 25,000-li long march. The linkup of the three major forces of the Red Army was a symbol of revolutionary unity and a sign of victory of the Long March. The matchless and soul-stirring long expedition accomplished by the Chinese Communists and Red Army men with Comrade Mao Zedong as their representative resulted in inexhaustible moral strength for the Chinese people. The revolutionary heroism displayed during the Long March, characterized by defiance against hardship and danger, broke down all time barriers and national boundaries and erected a unique monument in the history of human endeavor. The Long March is the pride of the Chinese communists, the Chinese Workers' and Peasants' Red Army, and the Chinese nation.

On behalf of the CPC Central Committee, the State Council, and the Central Military Commission, I take the opportunity of this commemoration meeting to cherish the memory of those revolutionaries of the older generation who led the Long March and those who have already left us. Their outstanding contributions to the victory of the Long March will be permanently recorded in history.

I dearly cherish the memory of the martyrs who heroically gave their lives during the journey of the Long March or during the revolutionary struggle in various localities. Those known or unknown revolutionary fighters gave their precious lives to realize victory of the Long March.

I give my heartfelt thanks to and salute the people of various nationalities who supported our Long March. Their love and support for the Red Army were an effective guarantee of the victory of the Long March.

I give my cordial regards to Red Army veterans here at this meeting and throughout the country. They are precious assets of our party and state and are meritorious heroes of the people. I wish these veteran comrades health and longevity.

Comrades, the Long March was a great event in the history of the Chinese revolution. As you know, after "left" adventurism represented by Wang Ming became dominant in our party, the surging revolution in our country was badly undermined, resulting in the Red Army's failure in its countercampaign against the fifth "encirclement and suppression." In order to preserve our revolutionary strength, the party Central Committee and the Workers' and Peasants' Red Army's 1st Front Army withdrew from the central revolutionary base area in October 1934, made a strategic move, and started the great Long March. While large numbers of enemy soldiers were pushing toward the Red Army's base area, the Red XXV Corps withdrew from the Hubei-Henan-Anhui revolutionary base area in December 1934. The Red 4th Front Army withdrew from the Sichuan-Shaanxi revolutionary base area in May 1935.

The Red 2d and 6th Army Groups, which were later reorganized into the Red 2d Front Army, moved out of the Hunan-Hubei-Sichuan-Kueizhou revolutionary base area in November 1935. They withdrew in order to gain the initiative, survive for future action, and support the northward march of the Central Red Army. To smash Chiang Kai-shek's attempts to annihilate the Red Army during the strategic retreat, all Red Army contingents, displaying indomitable revolutionary spirit and invincible heroism, carried out life or death struggle against hundreds of thousands of pursuing enemy troops that tried to encircle and contain them and cut off their way. Red Army soldiers also surmounted untold difficulties caused by gorges, rapids, snow-capped mountains, grasslands, and dire shortage of supplies. They also corrected the mistakes caused by Wang Ming's dogmatism and Zhang Guotao's separatism. Owing to the victory of these struggles, the strategic retreat was at last successfully accomplished. In October 1936, the three major Red Army contingents victoriously joined forces. By that time, the Chinese Workers' and Peasants' Red Army's great Long March had lasted 2 years and traversed 25,000 li in 11 provinces. It ended with us being the victor and the enemy being the loser.

The Long March victory was the outcome of the party's, as well as the Army's, great unity, arduous struggle, and concerted efforts. Other Red Army troops that did not take part in the Long March — The Northern Shaanxi Red Army, the Red Army guerrillas operating in eight southern China provinces, and the United Army engaged in resisting Japan in northeast China, as well as the party organizations struggling underground in areas where white terror reigned — also contributed to the victory of the Long March by waging strenuous struggle under extremely difficult situations.

Comrade Mao Zedong's description of the significance of the Long March victory is vivid and profound. He said: "The Long March is unprecedented in history; it is a manifesto, a propaganda force, and a seeding machine." The victory smashed Chiang Kai-shek's counterrevolutionary scheme of wiping out the Red Army and preserved over 30,000 core members and large numbers of cadres who became the steeled elites of the Chinese revolution. The Long March relocated the Red Army's main force to the forward bastions to resist Japan and moved the party Central Committee's general headquarters in directing the revolution from south of the Chang Jiang to northwest China, thus opening a new situation for the revolution. An even more profound significance of the victory lay in the fact that it generated a large number of outstanding party leaders and, in particular, reaffirmed Comrade Mao Zedong's leadership in the Red Army and within the party Central Committee. After comparing the positive and negative expereinces gained from victories and defeats over a 15-year period of revolutionary practices, our party made a correct, historic choice, which became an important hallmark of the gradual maturing of our party. Owing to the heroic exploits of the Long March, our party won nationwide credibility, with which it began to push the nation's historical wheel forward with a powerful force peculiar to the party.

Our purpose of recalling the Red Army's Long March history today is twofold: To commemorate the past and to sum up our historical experiences so that we can inherit and carry forward the Long March spirit and build a better future and achieve new victories in the new long march of carrying out reforms, opening to the outside world, and proceeding with our socialist modernization.

While recalling the Long March, we cannot possibly ignore the Zunyi Meeting, which represented a great turning point in CPC history. When the Red Army was at a critical moment with its fate hanging in the balance, the meeting examined the bitter lessons learned from the fifth failure to counter "encirclement and suppression," as well as the frustrations encountered during the initial period of the Long March.

The meeting decisively ended the rule of "left" adventurism, and started a new leadership provided by the Central Committee headed by Comrade Mao Zedong. Above all, our party, especially the leading core members adhering to the correct line, began to realize that China's revolution must proceed from China's actual needs, creatively applying Marxist-Leninist theories, and follow a path conforming to China's situation. After more than a decade of hard work, beginning with the Zunyi Meeting which set the correct line represented by Comrade Mao Zedong, our party was able to successfully resolve the issue concerning the party's ideological line, and our party, strongly developing a hundredfold, became invincible in all kinds of struggle. Whenever the Zunyi Meeting is mentioned, a special feeling of intimacy toward the meeting will spontaneously emerge from among those veteran comrades who had undertaken the Long March. The Zunyi Meeting was a typical example of following the ideological line of proceeding from actual conditions and seeking truth from facts. Our experience during the past half century has repeatedly proved that to persistently follow this kind of ideological line is of fundamental and far-reaching significance in guiding our work. In a large nation such as ours, we will be faced with an arduous and complicated task whether in revolution or in developing the modernization program. We will never solve problems by reciting Marxist words or mechanically and indiscriminately copying foreign things. Only by proceeding from actual conditions and solving problems by seeking truth from facts under the guidance of Marxism, will it be possible for us to achieve successes. This is an inspiration given us by the Long March.

In commemorating the Long March, we will recall how our Red Army commanders and fighters trekked a long journey and overcame numerous dangers and hazards. They crossed a number of snow-capped mountains where air was thin and went through trackless marshland. They crossed turbulent and roaring rivers; ate tree roots and bark; endured the torments of hunger and cold weather; and went through all kinds of hardships and difficulties. We simply cannot forget some veteran comrades who were close to 60 joining others in the march and fighting battles with the help of their walking sticks, while some little Red Guards who still showed the innocence of a child fought shoulder to shoulder with adult fighters and withstood the most rigorous tests. In order to find wild fruits and vegetables for the soldiers, some veteran army cooks died after eating some poisonous mushrooms by mistake. Women fighters firmly fought shoulder to shoulder with men, although they were faced with greater difficulties. The difficulties and hardships experienced by the Red Army commanders during the Long March are unparalleled in the world and in the history of wars. People today can hardly imagine such difficulties and hardships.

Why were commanders and fighters of the Red Army able to withstand such difficulties and score such earthshaking achievements? It is because the Red Army had a tremendous moral strength. What is the Red Army's "Long March Spirit"? To put it briefly, it is the Red Army's boundless loyalty to the revolutionary cause as well as its firm conviction. It is its heroic spirit of fearing no sacrifices, daring to achieve victory, working hard to fulfill all their tasks optimistically, and pressing forward with indomitable will. It is its lofty moral character of taking the situation as a whole into consideration, strictly observing party discipline, and maintaining close unity. It is its lofty ideal of maintaining close ties with the masses, working hard in struggle, and wholeheartedly serving the people. This kind of conviction, spirit, moral character, and ideal forms the strong spiritual pillar of the Red Army. It is precisely this kind of spirit that brings about a great army, great fighters, and great miracles. Today, in the new long march to build a highly democratic and civilized socialist modern nation, we still need to carry forward and bring into full play the Long March Spirit. Recently, the 6th Plenary Session of the 12th CPC Central Committee adopted the "Resolution on the Guiding Principles for Developing Socialist Spiritual Civilization." This resolution is a programmatic document to strengthen socialist spiritual civilization in China during the new period. We must do a good job in studying and implementing this "resolution."

To carry forward and give full play to the Long March Spirit of the Red Army constitutes an important measure in implementing the "resolution" and strengthening spiritual civilization in the Army and in various localities. The Long March of the Red Army has added a brilliant chapter to the annals of the Chinese revolution. It is an important teaching material in carrying out education on ideals, ethics, and discipline among our offspring. All our factories, rural areas, government organs, schools, and PLA units must adopt forms appreciated by the masses to vigorously popularize the revolutionary traditions of the Red Army in carrying out the Long March; train a new generation of socialist-minded people who are imbued with lofty ideas, high moral and educational standards, and strong sense of discipline; and help raise the ideological, moral, scientific, and educational standards of the entire nation.

While commemorating the Long March, we deeply feel the extremely precious nature of the unity and fraternal love among the revolutionary ranks. This spirit of unity and fraternal love was fully manifested among comrades; between higher and lower levels, the Army and the government, the Army and the people; and among different units. Everyone regarded comrades-in-arms as kith and kin and his unit as his home. At crucial moments of life and death, everyone would not hesitate to let someone else have the hope of life while putting himself before the danger of death. Even in a state of utter exhaustion, everyone vied to assist his comrades-in-arms by carrying guns and blanket rolls for them and to help those comrades who had fallen behind to catch up. To do this, they had to go back and forth. The actual distance trekked surely exceeded 25,000 li! Heartening stories of giving up food, horses, and stretchers for use by others were also very common. In marching and in fighting, all units, including Army units, always supported each other and coordinated closely with each other. In everyday life, they always treated each other with modesty and tried to help each other. On the occasions when the 1st and the 4th Front Armies joined forces and when the 2d and 4th Front Armies joined forces and when the three main forces linked up, the various units shared supplies with each other and exchanged cadres and experiences with each other in a warm atmosphere of sincerity and solidarity. To sum up, taking the overall interests into consideration, stressing solidarity, sacrificing one's own interests for the sake of others, and sharing a common destiny were the criteria that the Red Army used on its own initiative to handle its internal relations. During the Long March, there was the incident when Zhang Guotao set up another central committee aimed at splitting our party and the Red Army. This incident resulted in serious damage to our party's cause. However, it was by relying on the strength of the Red Army's internal solidarity that our party defeated Zhang Guotao's separatist scheme. History has testified to the fact that separatism receives no popular support, and solidarity means victory. The firm solidarity of the Red Army was the source of its strength in defeating the enemy, surmounting difficulties, and consolidating itself. We should inherit and carry forward this fine Red Army tradition so as to make the whole people united as one politically, morally, and mentally and form a mighty socialist construction Army to work for the realization of our common ideal.

The Chinese PLA, as the successor in carrying on the great cause of the Red Army and the subsequent 8th Route Army and the New 4th Army, is a great wall of steel guarding the motherland and a major force in building the socialist material and spiritual civilizations. This force has long been characterized by a high level of ideological consciousness, good moral quality, and strict organization and discipline. Since the founding of new China, it has continued to make tremendous contributions to the people in the cause of safeguarding and building the motherland. Our country is now in a new historical period marked by overall reform, and our work of building the Army has also undergone a strategic change in its guiding thought. This work has embarked on the track of building modern and regular revolutionary Army in peacetime. All commanders and fighters of our Army are requested to take the lead in the entire country in inheriting and carrying forward the Red Army's glorious traditions and to make new contributions in building the two civilizations.

Comrades, in the course of the momentous struggle for more than half a century, our party has experienced three great turning points: the first was the establishment of the revolutionary base area on Jinggang Shan and the opening of the revolutionary road of using villages to surround cities in the wake of the failure of the Great Revolution. The second great turning point was the success of the Zunyi Meeting and the victory of the Red Army's Long March. The third great turning point was the establishment of the party's line, principles, and policies following the 3d Plenary Session of the 11th CPC Central Committee. The facts of these three great turning points have made us aware that the CPC deserves to be called a great, glorious, and correct party and a force at the core leading the people of the whole country to realize their common ideal. Our party can rely on its own strength to correct mistakes, draw lessons, sum up experience, and continue to advance with even firmer confidence and more vigorous fighting will to win great victories in the cause of revolution and construction. In the new long march, the position of the ruling party and the tasks of modernization and overall reform have put new demands on our party's leadership. In view of this, we must uphold and improve the leadership of our party. Let us unite and work hard under party leadership and make new achievements in building a modern and strong socialist country so as to greet the victorious convocation of our party's 13th national congress!

STATION SET UP TO MONITOR NUCLEAR POWER PLANT

OW220227 Beijing XINHUA in English 0157 GMT 22 Oct 86

[Text] Shanghai, October 22 (XINHUA) — A station to monitor the safety of the Qinshan Nuclear Power Plant began inspections Monday.

Located in Hangzhou Bay, 120 kilometers south of Shanghai, the Qinshan Nuclear Power Plant, designed and built exclusively by Chinese, will have an annual generating capacity of 300,000 kilowatts after its completion, planned for 1989.

Under the National Nuclear Safety Administration, the station is set up to conduct on-the-spot monitoring of the plant's construction and those enterprises and research institutes supplying the plant with equipment and facilities.

Speaking at a conference on nuclear safety held Monday, Jiang Shengjie, director of the administration said, "experts have already thoroughly checked the plant's construction after the nuclear accident which occurred in the Soviet Union."

"Abiding by advanced international standards, three safety protective shields will be installed in the plant," said Jiang, who is also an expert on nuclear projects.

"The plant will also be protected by an automatic system to prevent the leakage of radioactive material should an accident occur," Jiang said.

"The plant staff and workers will be strictly trained either at home or abroad," according to Jiang.

Experts from France, the Federal Republic of Germany and the International Atomic Energy Agency attended and spoke at Monday's conference.

EXPANSION OF SCIENCE, TECHNOLOGY URGED

HK231015 Beijing RENMIN RIBAO in Chinese 19 Oct 86 p 3

[Commentator's article: "Develop and Utilize the Resources of Scientific and Technological Information"]

[Text] Information is no longer an unfamiliar and mysterious noun to the people engaged in the building of modernization. Market competition needs economic information and scientific research and economic work need scientific and technological information. Scientific and technological information is an important information resource and a kind of wealth. Today, if a scientist or technological expert does not know what other people are doing and thinking about, he will not be able to go on creating and advancing. Contemporary scientific and technological information work is no longer a secret activity carried out by a small number of people, but has become a socialized undertaking. At present, there are more than 3,800 scientific and technological information institutions, with a staff of more than 0.67 million people, over the whole country. Our country has also set up 430 national and regional information networks and has basically formed a multilevel scientific and technological information network system from the central level to the grass roots. Our country has also established scientific and technological information cooperative relations with more than 10 foreign countries and established information exchange relations with more than 60 foreign countries. Therefore, our present task is to greatly strengthen the propaganda work and intensify the concept of information in the scientific and technological circles, economic circles, and the whole of society. The scientific and technological information institutions at various levels should carry out reforms, strengthen their services, and develop and utilize the resources of scientific and technological information.

Scientific and technological information usually appear in the form of various types of documents and materials, microfilms, and other forms. If these things are placed in the research institutes, they are doubtlessly bundles of dead materials. However, if we pass on, exchange, and put these materials into service, they will become live materials which can create value. The purpose of the reform of scientific and technological information work is to serve economic construction and scientific and technological work and to enable scientific and technological information work not only to serve the technological transformation and technological progress of traditional industries, but also to serve the development of the newly developed technologies and high technologies. The reform of scientific and technological information work should also serve the advanced technologies of big and key enterprises, the technologies that can be applied by medium-sized and small enterprises and town and township enterprises, the application, development, and research into new technologies, and research into basic technologies. The personnel involved in the work of scientific and technological information must foster the ideology of "customer first" and should voluntarily send information to customers in the areas where conditions allow.

Scientific and technological information is an intellectual commodity which can be circulated on the technology market and information market. There are two forms of scientific and technological information service: One is aimed at meeting the common needs of the majority of customers in society. This type of service is called a public welfare service, which can use the state funds earmarked for public undertakings. The other is aimed at meeting the special needs of individual customers. This type of service can take the form of service for payment. In a word, the circulation of information must be invigorated.

The development and utilization of scientific and technological information is a developing undertaking which will advance in the course of the reform and will certainly accomplish a lot in the future.

SCIENCE GRANTS OFFERED TO YOUNGER RESEARCHERS

OW231420 Beijing XINHUA in English 1120 GMT 23 Oct 86

[Text] Beijing, October 23 (XINHUA) — THe Natural Science Foundation of China will fund work "on the cutting edge of scientific development" by younger researchers begining in 1987, a foundation official said today.

He said the foundation would give grants of up to 50,000 yuan (13,500 U.S. dollars) to "creative and serious scientists with innovative projects" in basic or applied research in the natural sciences. Recipients must be under 36 years old and have doctorates or the equivalent and experience in independent work.

The foundation will give priority to interdisciplinary studies and to projects in remote areas of China and in parts of the country where research conditions are particularly difficult, said the official.

Applicants for grants may submit proposals beginning January 1.

Specialists, he said, adding that young scientists studying abroad may apply for grants they would receive upon their return.

Members of the Executive Committee of the foundation will select the grant recipients. The foundation was established in February and receives an annual allocation of 100 million yuan (27 million U.S. dollars) every year to aid basic and applied research.

HEGEMONY NOT PART OF PRC FOREIGN POLICY

HK240731 Beijing RENMIN RIBAO in Chinese 21 Oct 86 p 6

["Random Notes" by Sai Bei (1049 0554): "Forthright Admonition"]

[Text] According to an AFP report, Malaysian Deputy Prime Minister Ghafar Baba said at a welcome banquet in honor of Chinese Vice Premier Tian Jiyun that Malaysia hopes that China wil play a "positive and constructive" role in Southeast Asia but will not "repeat the mistakes other big powers have made in this region." This writer thinks that Mr Ghafar was frank and sincere in making this forthright admonition.

Never seeking hegemony is China's national policy. Chinese leaders have solemnly announced to the whole world many times that China will not seek hegemony at any time and will never do so even after China becomes rich and powerful. China pursues this policy not as an expedient measure or a propaganda means. As a socialist country, China develops herself by relying on tapping her internal potential and conducting friendly cooperation with other countries on the basis of equality and mutual benefit rather than relying on exploiting and plundering other nations. China suffered a lot from colonialism, imperialism, and hegemonism in the past. [paragraph continues]

"Never do unto others as you would not have them do unto you." How could China try to bring such sufferings to other fraternal countries which have similar painful experience? China has deeply realized from her own struggle to win and maintain independence that hegemonism is extremely unpopular and will sooner or later fail as the world has entered a new era. In the near future, as a developing country with a population of 1 billion people, China must concentrate on its domestic construction and can never covet things of other countries.

Even so, some countries still have misgivings about China since China is a big country in Asia, and doubt whether China says what it means. Some people even take advantage of such worries to sow discord between China and these countries so as to benefit themselves. This time, Mr Ghafar openly expressed his hope in positive terms. This is valuable, because only friends who trust each other can speak so frankly.

China does not seek hegemony. This is not only in the interests of the peoples in Southeast Asia, but is also in the fundamental interests of the Chinese people. In the past 37 years since its founding, the PRC has always persevered in opposing aggression and defending peace in Asia and in the world, and has never occupied an inch of foreign land or stationed a soldier in foreign territory. This record should set the minds of our friends at ease. If some friends still have any worries, then they can judge things in light of a Chinese proverb: "As distance tests a horse's strength, so time proves a person's heart." I believe that China can give a positive answer to her friends' expectations with her good deeds in international relations!

CIVIL AFFAIRS MINISTER ON SOCIAL SECURITY SYSTEM

OW200105 Beijing XINHUA Domestic Service in Chinese 0829 GMT 15 Oct 86

[By reporter Zou Aiguo]

[Text] Nanjing, 15 Oct (XINHUA) -- Minister of Civil Affairs Cui Naifu pointed out at a discussion meeting held by the Ministry of Civil Affairs on social security work at the grass-roots level in rural areas on 14 October that during the "Seventh 5-Year Plan," China will establish a new social security system with Chinese characteristics in an embryonic form.

The discussion meeting was held in Jiangsu's Zhangjiagang City from 9 to 14 October. The participants held discussions on the question of social security at the grass-roots level in rural areas. The representatives of Jinfeng Township of Jiangsu's Zhangjiagang City as well as representatives from eight localities in various provinces, municipalities and autonomous regions attended the meeting and introduced their experiences in setting up social security committees, economic entities for helping poor people and insurance service units, and developing mutual assistance funds in rural areas.

Cui Naifu pointed out in his speech that many new situations and problems have emerged in the work of social security following the reform of economic structures in rural areas. We must study and solve those problems in order to establish a new social security system suitable for economic development. He said: At present, social security work in rural areas must attach importance to helping poor people and those who should be given preferential treatment, helping them improve economic conditions, and developing welfare production and other work in addition to social security aid. Various localities should proceed from reality to meet the urgent need of the masses. We should unfold social security work in various forms, kinds, and standards within the capability of the state, collective, and individual.

Cui Naifu said: Social security is a new work. Civil affairs departments at various levels should publicize, organize, promote, and make suggestions for this work. It is necessary to investigate new problems emerging in social development in rural areas and find methods to solve those problems. We should actively try these methods at selected places in order to gain experience and promote the development of social security work.

FOREIGN INVESTMENT PROMOTION UNDER DISCUSSION

OW231418 Beijing XINHUA in English 1101 GMT 23 Oct 86

[Text] Beijing, October 23 (XINHUA) -- The implementation rules of newly issued provisions for encouragement of foreign investment are being discussed, a senior official said here today.

"We are doing our best to try to promulgate the implementation rules as soon as possible," said Zhu Youlan, assistant minister of foreign economic relations and trade, which is responsible for the explanation of the 22-point provisions for encouragement of foreign investment issued by the State Council earlier this month.

Speaking at the Sixth Business Leaders Symposium now in session, she said that some of the rules have been already formulated and are under discussion by the departments concerned.

But she did not give a definite date for the promulgation because "the task involves so many governmental organizations.

"China's advantages for foreign investment lie in the huge markets and cheap labor," she told more than 100 foreign business leaders from 24 countries and regions.

The country has laid a sound foundation for further development of industries of various kinds, the assistant minister added.

However, China is not well informed on the demand at the world market and needs to adjust its industrial production according to it, Zhu Youlan said.

REFORM, GROWTH SEEN AS TANDEM PHENOMENA

HK240246 Beijing CHINA DAILY in English 24 Oct 86 p 4

[Editorial by CHINA DAILY commentator: "Economic Health"]

[Text] Indicators of economic growth show how much wealth a society accumulates. And a sustained, relatively high growth rate is what China needs. The success of the nation's future development programme depends upon a steady, higher-than-average growth rate of the economy.

Statistics released last week spelt out results in the first three quarters of the year, pointing to a situation that is basically good, but that also could be better.

After calculating the yield in summer and looking into the condition of autumn crops, grain production is expected to rise. The year's output could be 390 million tons, 10 million more than last year and 10 million less than the 1984 record high. Meat and aquatic foods saw stronger growth. These were hard-won, considering that this year's natural calamities were more severe than last year.

At the same time, more than 70 percent of this year's industrial development plan has been met and annual growth is likely to be up 7 to 8 percent.

More important, the excessive increase in capital investment, a problem that used to seriously disturb the economy, was brought under control. Reduction in spending also eased price rises, with the State continuing to cut down the number of mandatory fixed prices. This is no small success.

The figures not only show these improvements. Looking back on how 1986 started out is helpful in measuring the situation. Faced by the drop in oil prices, excessive spending in capital construction and over-heated economic growth, China must find effective remedies.

The efforts to introduce more market forces into the economy made many things seem to be getting out of hand. There was even a question that some reform policies might have to be sacrificed to maintain economic balance.

Yet Chinese economists and government officials retained their confidence and assured the nation that economic growth would be maintained at a sustained rate and reform must continue. They were right.

When economic reform was unfolding step by step -- such as the recent reform of the employment system and the extension of factory directors' decision-making power, industrial growth rose from 4.4 percent in the first quarter to 5.3 in the second, and then 9 in the third. Such development would be inconceivable without the nation's firm commitment to reform.

However, the figures also indicate a number of problems that must be tackled. The most pressing seems to be the existence of many enterprises that are running at a loss. In the first eight months, they increased from 5,200 to 6,800, more than 17 percent of the total number of State-run enterprises.

Foreign trade and product quality are still far from satisfactory, although they are improving. There are growing inventories of unwanted, low-quality goods and a shortage of high-quality ones.

It is now necessary to take stronger measures to solve these problems before they become a stumbling block to future development. It is encouraging to note that the State Council published some new decisions earlier this week. They were worked out to protect enterprise managers' decision-making power, define the role of the Communist Party organization in enterprises and guide the work of workers' congress in various enterprises. These measures alone can do much to promote enterprise performance.

When these measures bear fruit, the economy should become steadier. The experience of the last eight years of reform is: The more reform, the more prosperity.

SHANGHAI URGED TO TAKE LEAD IN MODERNIZATION

OW231422 Beijing XINHUA in English 1143 GMT 23 Oct 86

[Text] Shanghai, October 23 (XINHUA) — The State Council, China's top governing body, is urging Shanghai to make more efforts to serve the national modernization and develop itself into a big economic and trading center on the western coast of the Pacific Ocean.

In a letter approving overall planning for the development of Shanghai, the State Council requires the municipal government to strictly control the city population, and speed up the construction of urban districts, satellite cities and rural towns.

It urges the city to restructure industries to concentrate on developing highly sophisticated and advanced new products, using modern technology to renovate traditional production lines.

The letter also says that Shanghai must build highly efficient transportation and communication systems, a reliable power supply and comprehensive public utilities.

The city should create a more attractive climate to attract foreign investment, it says.

It must also improve the housing conditions for local residents.

The city is also urged to improve the environment and protect buildings and sites of historical value.

Shanghai will set up a planning commission for urban and rural construction to lead the whole development project.

Development Plan Outlined

HK240310 Beijing CHINA DAILY in English 24 Oct 86 p 1

[by staff reporter Zhen Fan]

[Text] Shanghai — China's biggest city is aiming to become one of the major economic and trade centres on the western edge of the Pacific.

Shanghai's Overall City Plan, approved by the State Council recently, calls for large-scale planned growth in almost all areas except population by the year 2000 in order to achieve the goal.

The plan is a product of the Shanghai Commission on Urban and Rural Planning and Environmental Protection, which was organized under Major Jiang Zemin to better supervise city planning, construction and management.

The southeastern coastal city is not only China's biggest, but also its biggest port and centre of trade, science, finance and information.

Under the plan, the city's population should be limited to 13 million by the year 2000, up from 12.16 million in 1985.

The plan also calls for the city to be re-developed. At the same time, seven satellite towns will be further expanded and connected by expressways and first-class highways and railroad tracks.

Located at the mouth of the Yangtze River and as part of Shanghai, Chongming Island is the country's third biggest island. Construction and development on the island should be speeded up by fully using the advantages of the island's natural conditions and geographic location, according to the plan.

Nine new areas will be expanded around the city. Each will have its own priority, such as the Dabasi area which will be a centre of domestic trade, Honqiao area as a centre of foreign trade, and the Caohejing area, which will be targeted to specialize in electronics.

According to the plan, priority will be given to development in Pudong, the part of the city east of the Huangpu River. The area will be a new base of finance, trade, culture, education and information.

In industry, Shanghai is to develop technology-intense industries and reform traditional ones through technical upgrading under the plan.

Construction of the Huangpu River bridge and a river channel will be speeded in order to solve the problem of cross-river traffic.

The city's Hongqiao airport will be expanded to meet the need of a modern international trade and economic centre.

At present, Shanghai Port has only 80 million tons of loading and unloading capacity. It will be necessary to rebuild old harbours and at the same time build new ones to increase that capacity.

A new railway from the city to the north of neighbouring Jiangsu Province is to be built. The line will connect with Chongming Island by ferry.

Under the plan, a subway network of seven lines and seven cross-river routes also will be built. One channel has already been completed and put into operation and a second channel is under construction.

JIANGXI RESOLUTION RECALLS GOVERNOR NI XIANCE

OW240242 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 23 Oct 86

[Resolution of the Fifth Session of the Sixth Jiangxi Provincial People's Congress Recalling Governor Ni Xiance -- adopted 23 October 1986]

[Text] Because of serious mistakes in violation of the law and discipline committed by Ni Xiance during his term of office -- including corruption, moral degeneration, divorce from principles, abuse of official power, intercession in favor of relatives and friends, protecting of smuggling, leaking of secret information, and spreading of rumors -- which have resulted in grave consequences and created a very bad impression on the masses, the Fifth Session of the Sixth Jiangxi Provincial People's Congress has decided to remove Ni Xiance from the post of provincial governor in accordance with the provisions of Article 101 of the Constitution and Article 9 of the organic Law for Local People's Congresses and Governments at all levels of the People's Republic of China.

6 DEAD, 18 HURT IN SHANGHAI TRAIN DERAILMENT

OW240812 Beijing XINHUA in English 0808 GMT 24 Oct 86

[Text] Shanghai, October 24 (XINHUA) -- Six people were killed this morning when part of a freight train derailed in western Shanghai on the Shanghai-Hangzhou railroad.

An emergency team rushed to the site, but had not yet cleared the route this afternoon.

Officials said the cause of the accident has not been determined.

Five cars on train No. 3373 derailed at 8:24 a.m., destroying seven houses. Eighteen residents were hurt.

BRIEFS

SHANDONG AFFORESTATION ACHIEVEMENTS -- During the implementation of the Sixth 5-Year Plan, Shandong Province scored marked achievements in planting trees. It planted 8.5 million mu of trees and surpassed its afforestation plan by 72 percent. Its annual forestry output value has reached 728 million yuan, a 107 percent increase over the figure of the Fifth 5-Year Plan. [Excerpt] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 8 Oct 86 SK]

SHENZHEN GIVES ENTERPRISES PREFERENTIAL TAX RATES

HK230839 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1307 GMT 17 Oct 86

[Text] Shenzhen, 17 Oct (ZHONGGUO XINWEN SHE) -- At an exclusive interview with a ZHONGGUO XINWEN SHE reporter yesterday, Zhou Xiwu, vice mayor of Shenzhen, said that in the Shenzhen Special Economic Zone, enterprises which export their products can pay taxes at the rate of 10 percent (while enterprises in other cities pay taxes at the rate of 15 percent). Enterprises which adopt advanced technology can pay just half the tax for 3 years after their tax-free period expires.

At present, 22 foreign banks have set up branches, offices, and insurance companies in Shenzhen. Now Shenzhen is making use of this condition and other forms and channels to facilitate the movement of funds. Zhou Xiwu predicted that the number of foreign banks in Shenzhen will continue to increase. A foreign exchange regulation center has been set up and is playing a positive role in maintaining a foreign exchange balance.

Zhou Xiwu said that the Shenzhen Special Economic Zone has developed 47 square kilometers of land, and most can be used for industrial purposes or be used by foreign investors for building factories. The special economic zone is now building a 700,000-kilowatt power plant in cooperation with some foreign companies, and it is expected that the power plant wil be operational next June. Then there wil be sufficient power supply in the special economic zone. In addition, an electrified railway project between Shenzhen and Guangzhou, an expressway project, the deep-water harbor project in Mawan and Yantian, the international airport, and a telecommunications project are all in progress or in the preparatory stage.

HUBEI CPC COMMITTEE SECRETARY PRAISES TV SERIES

HK240327 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 22 Oct 86

[Excerpt] On the evenings of 19 and 20 October, provincial party committee Secretary Guan Guangfu watched a 12-part television series "Huang Xing" which was produced by the Hubei Television Series Production Center to mark the 75th anniversary of the 1911 Revolution.

After watching the whole series, Comrade Guan Guangfu said delightedly: The script of the television series was well written, with good ideological content. All the main roles were played very well, and Huang Xing's character was fully demonstrated. While sticking to historical facts, this series has brought forth some new ideas. The costumes and prop in the series were historically accurate.

Comrade Guan Guangfu said that the production of television series has been developing well in Hubei Province over the past few years. In the future, we must further upgrade the quality of television series, make constant improvements, and produce more and better spiritual products for the audience. [passage omitted]

CHENGDU MILITARY MARKS LONG MARCH ANNIVERSARY

HK240245 Chengdu Sichuan Provincial Service in Mandarin 20 Oct 86

[Excerpts] The Chengdu Military Region, the provincial party committee, and the provincial government jointly held a solemn meeting in Chengdu yesterday afternoon to mark the 50th anniversary of the victory of the Chinese Workers' and Peasants' Red Army in the Long March. Present at yesterday's meeting were leading comrades of the Chengdu Military Region and organs concerned at the provincial level, responsible persons of various people's organizations, veteran Red Army fighters who personally took part in the Long March, old comrades who have withdrawn to the second and third lines, combat heroes, and model workers, and new long march shock workers, as well as representatives from the places where the Red Army passed by during the Long March -- altogether over 200 people.

Provincial Governor Jiang Minkuan presided over yesterday's commemorative meeting. Provincial party committee Secretary Yang Rudai was the first to deliver a speech at the meeting. He said: [passage omitted] We must give full play to the spirit of the Red Army who were steadfast to the revolutionary cause, persistently follow the road of building socialism with Chinese characteristics, carry forward the revolutionary spirit of the Red Army who feared no danger and hardship and pressed forward with indomitable will, unswervingly carry out the reform of the economic structure, unswervingly carry out the reform of the political structure, unswervingly strengthen the building of spiritual civilization, and strive for a bombing economy in Sichuan.

Fu Quanyou, commander of the Chengdu Military Region, also delivered a speech at the commemorative meeting. He urged all the commanders and fighters of the military region to carry forward the Red Army's Long March spirit, wholeheartedly serve the people, and build the PLA into a strong, modern, and regularlized revolutionary army. [passage omitted]

PU CHAOZHU AT YUNNAN LONG MARCH FORUM

HK240955 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 22 Oct 86

[Excerpts] On the afternoon of 22 October, the provincial party committee and people's government held a forum in Kunming marking the 50th anniversary of the victory of the Long March. Over 300 vetern Red Army soldiers and cadres in Kunming attended the forum. [passage omitted]

At the forum, Pu Chaozhu, secretary of the provincial party committee, acted on behalf of the provincial party committee and people's government and extended his respects to the participating veteran soldiers and cadres. He said: China's present situation has been paid for in blood by numerous revolutionary fighters and martyrs. We must greatly cherish this situation. During this new period, we should carry forward the Red Army's Long March spirit, uphold the ideological line of seeking truth from facts, carry out work in a down-to-earth manner, and work hard for invigorating Yunnan and building China into a highly civilized and democratic modern country.

Comrade Liu Minghui and (Zhang Taiheng), who took part in the Long March, also spoke at the forum. [passage omitted] Also present were Li Xinagwang, chairman of the provincial Advisory Commission; Yin Jun, secretary of the provincial Discipline Inspection Commission; Li Yuiying, chairman of the provincial People's Congress Standing Committee; Liang Jia, chairman of the Provincial CPPCC; and leading comrades of the PLA units stationed in Kunming.

HEILONGJIANG MILITARY MARKS LONG MARCH ANNIVERSARY

SK240536 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 23 Oct 86

[Text] On 23 October, the provincial Military District held a meeting to commemorate the 50th anniversary of the victory of the Long March.

Red Army soldiers in Harbin, and some cadres at and above the Army level attended the commemorative meeting. A group of children presented flowers to the participating Red Army soldiers amid an enthusiastic atmosphere. Shao Zhao, commander of the provincial Military District, presided over the meeting.

Ma Chunwa, political commissar of the provincial Military District, addressed the meeting. He said: Today while we are commemorating the 50th anniversary of the Long March, the most important thing we should do is to inherit and promote the Long March spirit; to take over and carry forward from generation to generation the spirit of unity and struggle of the Red Army soldiers in those years, which was based on their ideals and conviction, their creative spirit of proceeding from reality and seeking truth from facts, their heroic, indomitable, and death-defying spirit of fearing neither hardships nor danger, and their dedicated spirit of working hard and caring for neither personal fame nor gains; and to strive to realize our common goal, to build our country into a modern and strong socialist country with a high degree of culture and deomocracy, and to work hard for a splendid future.

GAO DI ADDRESSES JILIN LONG MARCH FORUM

SK230800 Changchun Jilin Provincial Service in Mandarin 1030 GMT 22 Oct 86

[Excerpts] [Passage omitted] The provincial party committee held a forum to mark the 50th anniversary of the victory of the Long March of the Red Army. On the afternoon of 22 October, more than 140 veteran Red Army fighters happily got together in the veteran cadres' recreation center of Changchun City, which was decorated with chrysanthemums and cypress branches released into a spring atmosphere, to attend the celebration sponsored by the provincial party committee on the 50th anniversary of the victory of the Long March. These elderly battle companions with noble character and high prestige, healthy and radiating vigor, who talked cheerfully and humorously appeared especially cordial when they met again at the forum's hall filled with a joyful atmosphere.

Want Zhongyu, deputy secretary of the provincial party committee, presided over the forum. [passage omitted]

At the forum Gao Di, secretary of the provincial party committee, delivered a speech in which he stated: [Begin recording] Comrades, The 1st, 2d, and 4th Front Armies of the Chinese Workers' and Peasants' Red Army joined forces in northern Shaanxi by going through all kinds of hardship and difficulties 50 years ago and concluded the world-famous 25,000 li Long March. In dating the battle course of the Red Army and recalling the glorious achievements scored by the Army at today's forum, we are especially excited. All veteran comrades attending today's forum are veteran revolutionaries of the Long March period. Some personally participated in the Long March. Therefore, they are the cream of the Chinese nation and meritorious personnel of the revolution of whom our party is truly proud. On this occasion of important historic significance, I would like to extend our hearty regards and lofty respect to all participants on behalf of the provincial party committee, the provincial Advisory Commision, the provincial People's Congress, the provincial people's government, the provincial CPPCC Committee, the provincial Discipline Inspection Commission, and the provincial Military District.

I wish to take this opportunity to extend heartfelt regards to all veteran Red Army fighters working on various fronts throughout the province. [end recording]

In his speech, Comrade Gao Di stated: The victory scored by the Red Army in the Long March not only represented a new situation in the revolutionary war in China, but has also left the precious spirit displayed in the Long March. In developing the spirit displayed by the Red Army in the Long March at present, we should learn from them their spirit in which they were steadfast, unswerving, and resolute under such an arduous, adverse, and complicated circumstance and marched forward courageously; their spirit in which they waged arduous struggles by overcoming various difficulties, doing away with all interference, and boldly creating something new and pioneering the road of advance; their spirit in which they boldly waged struggles and won victory by stepping into the breach as another fell and defying sacrifice; and their spirit in which they displayed their strength by unifying their will, being unifiedly disciplined, acting in unsion from top to bottom, and waging struggles by means of uniting as one.

In his speech, Comrade Gao Di stated: [Begin recording] Under the inspiration of the spirit displayed in the Long March, the broad masses of party members, cadres, and the people throughout the province should make new contributions to making Jilin Province prosperous and a success in building the two civilizations in the province according to the correct line set forth by the 3d Plenary Session of the 11th CPC Central Committee and the overall arrangement made by the 6th Plenary Session of the 12th CPC Central Committee for building socialist modernizations. [end recording] [passage omitted]

DALIAN TO OFFER INCENTIVES FOR FOREIGN INVESTORS

OW181749 Beijing XINHUA in English 1518 GMT 18 Oct 86

[Text] Dalian, October 18 (XINHUA) -- Foreign firms investing in the development of aquatic resources in Dalian Liaoning Province, will be supplied with seafood popular on the international market as compensation for their investments.

Major Wei Fuhai announced this decision of the Dalian City authorities at a conference on economic and technological cooperation in aquaculture, which closed here last week.

"These investors also enjoy preferential treatment in income tax exemption and reduction," he told 200 Chinese and foreign business people attending the conference.

Dalian is one of the 14 coastal cities with greater authority over foreign investment and trade, and a principal aquatic products breeding center in China. Seafood products include prawns, sea cucumbers, abalones and scallops.

The major said that Dalian is now pursuing what he called "all-direction opening to the outside world" -- cooperation based on mutual benefit, in any form with anyone.

During the conference, Chinese and foreign firms signed 30 contracts on joint breeding, catching, compensation trade and introduction of equipment, to the tune of 43 million U.S. dollars.

CNA REPORTS PRC MIG-19 LANDS IN CHONGJU

OW241113 Taipei CNA in English 1049 GMT 24 Oct 86

[Text] Taipei, Oct. 24 (CNA) — A Communist Chinese MIG-19 jet fighter landed in a military airfield in Chongju, a South Korean city 130 kilometers south of Seoul at 3 pm Friday, according to a CNA report from Seoul.

The report said that the plan was flown by a single Communist Chinese pilot.

The report said that the Korean Government did not sound warning alarms. It also said that South Korean Air Force planes scrambled to escort the Communist Chinese jet fighter to land at the airport in central Korea.

Taiwan Welcomes Pilot

HK241214 Hong Kong AFP in English 1206 GMT 24 Oct 86

[Text] Taipei, Oct 24 (AFP) — A Taiwan Foreign Ministry spokesman Friday said that a Chinese pilot who landed this MIG-19 fighter in South Korea would be welcome in Taiwan.

"If the Communist Chinese military pilot is proved a defector seeking freedom, the Government of the Republic of China welcomes him sincerely," spokesman Chiu Chin-yi told reporters.

Military spokesman Major General Chang Huei-Yuan said that Taiwan was "closely monitoring the incident.

"Our military attache in Seoul has contacted South Korean authorities and offered our help in the matter," he said.

If the Chinese pilot decided to be come to Taiwan he would be awarded 5,000 taels of gold (6,650 ounces) worth some 2.5 million U.S. dollars at the local market price.

The nationalist Chinese government in Taiwan offers varying amounts of gold for differnet types of military aircraft that Chinese pilots turn over when defecting.

The 26-year-old pilot, identified as Zheng Taizhe by reliable sources in Seoul, landed his Chinese Air Force MIG at an airfield south of the South Korean capital.

HONG KONG

TA KUNG PAO ASSESSES REYKJAVIK SUMMIT RESULTS

HK230641 Hong Kong TA KUNG PAO in English 23-29 Oct 86 p 2

["The Past Week" Column]

[Text] The dust having more or less settled after the vigorous propaganda war and public relations campaign mounted by both Washington and Moscow vis-a-vis the disappointing Reykjavik mini summit, it can be said that the world is in a better position to ponder the underlying causes of its failure.

Until the U.S. President and Soviet party general secretary held their last, stop-the-clock session on 12 October, which stretched into four hours, the world had indeed seemed unprecedentely close to ridding itself of the dreaded nuclear spectre.

The move that initially broke the ice at the 2-day Reykjavik meeting was no doubt the proposal put forward by Mr Gorbachev at the outset to halve the strategic wewapons of the two superpowers and to radically reduce their medium-range missiles not only in Europe but also in Asia. With equal candour, his American counterpart, U.S. President Ronald Reagan, saw no objection. Other bones of contention such as human rights, regional conflicts, nuclear test bans and their verification were also discussed and brought in line in a favourable light. In short, the breathtaking progress of the mini summit on its first day had taken not only the media but also the world's diplomatic community by surprises.

The irony of the cause of the Reykjvik breakdown lies in the fact that Mr Reagna's Strategic Defence Initiative (or Star Wars) crusade is still just a conception. 'A weapons system that does not even exist as a glimmer in the eye of those trying to develop it,' wrote a commentator in THE WASHINGTON POST, the conception has never cleared through Mr Reagan's own administration' since the U.S. President unveiled the SDI in a major speech in 1983.

Among U.S. officials sceptical about the president's vision of an impregnable umbrella defence is, interestingly, the head of the Strategic Defence Initiative organization in the Pentagon.

The scepticism of U.S. officials and not a small number of U.S. scientists is shared by Soviet scientists who have all along appeared convinced that the dream of an impregnable defence can never be realized.

Nonetheless, it appears that Mr Gorbachev had good reasons to regard Mr Reagan's dream his nightmare, and it is in this light that the Soviet general secretary's proposal to confine SDI tests to the laboratory, i.e. not in space, may be seen as a viable concession.

The ABM Treaty, endorsed by a series of U.S. administrations, including Mr Reagan's, precludes active development and deployment of space-based weapons.

In confining SDI tests to the laboratory, Mr Gorbachev's scenario contrasts sharply with Mr Reagan's obstinate stand of agreeing only to postpone deployment of SDI for ten years.

Given the lack of substantial research results of SDI, any promise of delaying deployment can only sound hollow to the Soviets.

According to Marshal Sergey Akhromeyev, the Chief of Soviet General Staff, Moscow's real concern is not the creation of an effective defence shield but the spillover from SDI research which might create technological breakthroughs in both strategic and conventional weaponry.

The Soviet fear of SDI is palpable because space-based American weapons which Americans see as defensive could pose a serious offensive threat to the Soviet Union.

As far as the Soviets are concerned, this threat is all the more dangerous for them if the superpowers engate in the kind of massive reductions of offensive weapons that they were discussing in Reykjavik.

Since Mikhail Gorbachev assumed the Number One Office in the Soviet Union there have been visible signs of Moscow shifting its top priority from military programs to economic modernization. The high-tech arms race clearly worries the Soviet leadership.

The world may point an accusing finger at Moscow's direct military intervention in Afghanistan and its indirect occupation of Cambodia, but in Reykjavik, Mr Gorbachev certainly went more than half way to meet Mr Reagan. To all outward appearances, the major concessions had come from the Soviet side, including the elimination of all the superpowers' nuclear weapons within ten years. These concessionary initiatives are noteworthy in view of the fact that Moscow had all along been cool to any serious arms reductions.

By comparison, the only good face the U.S. put up at Reykjavik appears to be Mr Reagan's offer to share the benefits of Star Wars technology. But as an U.S. commentator writing in NEWSWEEK pointed out, it is 'an offer Moscow does not believe, given U.S. bans on technology exports to the East, and one it probably could not afford to accept, given its staggering cost.'

As the date for a full summit was not discussed at Reykjavik, the world must now wait for the international conference to be held in Vienna next month when U.S. Secretary of State Mr Shultz and Soviet Foreign Minister Mr Shevardnadze might resume their discussions.

But for now nothing seems certain except that Reykjavik scuttled all hopes for a quick and all-embracing agreement on arms reduction between the superpowers.

Given Mr Reagan's adament position on his SDI crusade, it appears that Mr Gorbachev has no alternative but to make more concessions or wait for a more flexible U.S. President.

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THAI, U.S. STUDENT KILLED, INJURED IN GUANGZHOU

BK260612 Bangkok MATICHON in Thai 25 Oct 86 p 3

[Text] Deputy Director General of the Foreign Ministry Information Department Somphan Kokilanon reported that the Thai Embassy in Beijing had reported on the death of a Thai student in Guangdong. The report quoted information given by the Chinese Government. According to it, three Thai students accompanied by Chinese students were having their meal at a hotel in Guangzhou when they became engaged in a brawl and a fight with a group of Chinese and Hong Kong residents there. As a result, one Thai student, Wichon Mikhimat, was killed, and an U.S. student was wounded in the fight.

The deputy director general of the Information Department said that the Chinese Government considered the case an important case, and had instructed its authorities to quickly hunt down the murderers and culprits and bring them to trial. It also pledged to report to Thailand on developments in the case.

PRC UN ENVOY CALLS FOR HALT TO ARMS RACE

OW241930 Beijing XINHUA in English 1916 GMT 24 Oct 86

[Text] United Nations, October 24 (XINHUA) -- China called today at the United Nations for a halt to all arms races, especially the nuclear arms race.

Huang Jiahua, China's deputy permanent representative to the United Nations, speaking at the General Assembly about the U.N.'s International Year of Peace, said that local conflicts and wars since World War II have created "profound anxiety" on the part of the world's people, who wonder about the possibility of another world war.

The people of the world "cannot but be aware of all the latent dangers and respond to this threat by joining the struggle to preserve world peace," Huang said. "To safeguard world peace," he stressed, "it is necessary first and foremost to stop the arms race, especially the nuclear arms race. The arms stockpiles of the superpowers have reached alarming proportions, enough to destroy the earth many times over." The people of the world, he said, "having made disarmament, especially the complete prohibition and thorough destruction of nuclear weapons their important goal, strongly demand that the superpowers halt their dangerous arms race."

"To safeguard world peace," Huang went on to say, "It is necessary to stop and remove regional conflicts and local wars. For a long period of time, wars in places like Afghanistan, Kampuchea, the Middle East, South Africa and Central America have caused countless deaths and casualties and threatened peace in the world." He said China attaches great importance to disarmament and calls for the destruction of all nuclear weapons.

He told the assembly that China has declared to the world time and again that "at no time and under no circumstances will China be the first to use nuclear weapons...as an act of good faith, China had reduced its Armed Forces by one million at its own initiative," he added.

The Chinese delegate noted that in the past year China has organized "activities including the 'Chinese people's rally for world peace' and a symposium on the subject, various cultural and sports activites, and exhibitions on calligraphy, painting and photography, all with peace as the main theme."

Huang announced that a film entitled "Under the Same Sun," dedicated to the International Year of Peace, premiered recently in Beijing and will soon be made available to other countries.

RENMIN RIBAO LAUDS UNGA RESOLUTION ON CAMBODIA

HK250548 Beijing RENMIN RIBAO in Chinese 23 Oct 86 p 6

[Commentator's article: "The Aspirations of the People of the World"]

[Text] After a two-day discussion, the 41st session of the UN General Assembly [UNGA] adopted by an overwhelming majority the resolution on Cambodia, demanding withdrawal of foreign troops, that is, Vietnamese troops, from Cambodia, so as to insure that the Cambodian people may exercise their right to self-determination without outside interference. The UNGA resolution expresses the firm determination of the people of the world to resolutely support the Cambodian people in their struggle against Vietnam and for national salvation. It also expressed their call for justice.

Since 1979, each of the UNGA sessions has discussed the question of Vietnamese invasion against Cambodia and has adopted a resolution denouncing the Vietnamese aggression and demanding withdrawal of Vietnamese troops from Cambodia. Over the past 8 years, the UNGA's relevant resolutions have won more and more votes. The number of voters has increased from 91 in 1979 to 116 this year. This reflects the unpopularity of the Vietnamese aggression against Cambodia. What deserves to be pointed out is that the Vietnamese authorities, for the purpose of evading condemnation by the international community, had the impudence to refuse to participate in the debate of the current UNGA session on the Cambodia issue. This inferior tactic of shunning a meeting and sneaking away shows more clearly that Vietnam is in a sorry plight of being more isolated than ever and that it is fierce of countenance but faint of heart.

The resolution adopted by the current UNGA session shows once again that the withdrawal of Vietnamese troops from Cambodia is a prerequisite to the settlement of the Cambodia issue and also the only way for Vietnam to extricate itself from dire straits. Vietnamese leaders have recently publicly admitted that the Vietnamese domestic economy is in a mess and that they "made mistakes." They also expressed their willingness to "improve relations" with the neighboring countries in order to insure domestic stability and economic development. By now, the Vietnamese authorities should have realized that their sending troops to invade Cambodia was the biggest mistake they had made and is the basic cause of their poor relations with the neighboring countries. If the Hanoi administration really wants to correct its mistake and improve its relations with the neighboring countries instead of keeping up its appearances, then it should mend its ways, thoroughly rectify its errors, honestly carry out the UNGA resolution, withdraw all its troops from Cambodia, and let the Cambodian people exercise their right to self-determination.

Addressing the UNGA session, Samdech Sihanouk, president of Democratic Kampuchea, reiterated the 8-point proposal put forth by the Coalition Government of Democratic Kampuchea in March this year, pointing out that this proposal is now and will in the future be the national constitution of the Cambodian people. As a means to seek political settlement of the Cambodian issues, the 8-point proposal is fair and reasonable as well as lenient and tolerant, thus receiving extensive support in the international field and winning high praises from many of the representatives to the current UNGA session. However, the Vietnamese authorities adopted a rude attitude, talked a lot of nonsense, and vilified the 8-oint proposal in every possible way. [paragraph continues]

Their arrogance was inseparable from the instigation and backing of the Soviet Union. During the current UNGA session, the representatives of many countries pointed out that "a big power," that is, the Soviet Union, was undeniably responsible for the Vietnamese act of aggression against Cambodia. This viewpoint was very correct.

At present, the war conditions in Cambodia and the political and diplomatic situation have become more and more favorable to the Cambodian people's just struggle and unfavorable to the Vietnamese aggressors. In order to achieve a logical settlement of the Cambodia issues as soon as possible, the international community should give more support to the anti-Vietnamese forces of Democratic Kampuchea, increase pressure on the Vietnamese authorities, and force Vietnam to withdraw its troops from Cambodia as early as possible. Thus, Cambodia may restore its status of an independent, neutral, and non-aligned country.

U.S.-SOVIET EXPULSION OF DIPLOMATS VIEWED

HK260826 Beijing RENMIN RIBAO in Chinese 24 Oct 86 p 6

["International Jottings" by Zhang Liang (4545 5328): "When Will the 'Tit for Tat' Explosion End"]

[Text] The "Danilov Incident" has been over just less than a month, but the United States and the Soviet Union have now launched another "tit for tat" "battle of expulsion."

The Soviet Union announced the expulsion of five American diplomats to the Soviet Union on 19 October.

Then, on 21 October, the United States expelled five identified Soviet diplomats to the United States as a "direct retaliation" and, at the same time, announced the expulsion of 50 other Soviet diplomats.

On 22 October, the Soviet Union announced again the expulsion of 5 additional American diplomats to the Soviet Union and the recall of some 260 Soviet employees working for the U.S. Embassy in Moscow and the U.S. Consulate General in Leningrad. Gorbachev declared: "If the United States wants to further escalate such practices, we will be forced to contiue to take the same measures in response."

It is hard to tell whether the United States is going to leave the matter at that.

On the one hand, both the United States and the Soviet Union, after the Iceland summit, have expressed their desire to carry on the dialogue and make a breakthrough in the present deadlock on the disarmament issue; and these are some indications of relaxation in the relations between the two countries. On th other hand, however, the two sides have somehow started to expel each other's diplomats. Such a practice which contradicts the relaxation of tension will inevitably have a negative influence on the U.S.-Soviet relations.

It appears that the settlement of the dispute lies in the self-restraint of the two sides based on reason. Otherwise, this "tit-for-tat" trial of strength will possibly be carried on without end. Such a development will be beneficial neither to the United States and the Soviet Union nor to the peace and stability of the world.

LI PENG ATTENDS SOVIET IMPORT CONTRACT SIGNING

OW241334 Beijing XINHUA in English 1315 GMT 24 Oct 86

[Text] Beijing, October 24 (XINHUA) -- China will import ten sets of 210 mw generating units from the Soviet Union according to a contract signed here today.

The Soviet Union will supply the generating units between 1987 and 1990 for four Chinese power plants located in Zhangze of Shanxi Province, Huangdao of Shandong Province, and Mudanjiang and Shuangyashan of Heilongjiang Province.

Chinese Vice-Premier Li Peng attended the signing ceremony and said that the contract was in the interest of both sides and would help promote bilateral trade.

Signing the contract were Xu Deen, president of China National Technical Import Corporation, Zhu Jingde, president of China Water and Electric Corporation, and Vladimir Pavlovich Pavlov, president of Foreign Trade Organization Energomasheksport of the Soviet Union.

MOSCOW MEETING MARKS SHANGHAI REVOLUTION DATE

OW261345 Beijing in Russian to the USSR 1800 GMT 24 Oct 86

[Text] The Union of Soviet Societies for Friendship and Cultural Relations With Foreign countries and the Soviet-Chinese Friendship Society organized a soiree in the Moscow Center for Friendship With Foreign Peoples on 22 October in connection with the 75th anniversary of the Shanghai revolution in China. It was presided over by (Myasnikov), deputy director of the Far East Institute of the USSR Academy of Sciences and a member of the board of the Soviet-Chinese Friendship Society.

A professor of the Moscow Institute for International Relations and a member of the board of Soviet-Chinese Friendship Society gave details to the soiree participants of the reasons for the emergence and the course of development of the Shanghai revolution and its important role in the history of the Chinese revolution.

The soiree was attended by (Li Shaoyan), representative of the Chinese Embassy in the Soviet Union.

TASS REPORTS GORBACHEV-KIM Il-SONG MOSCOW TALKS

OW250140 Beijing XINHUA in English 1601 GMT 24 Oct 86

[Text] Moscow, October 24 (XINHUA) -- Soviet leader Mikhail Gorbachev and visiting Korean leader Kim Il-song held talks today, according to the official Soviet news agency TASS.

TASS said the two leaders expressed satisfaction with the development of bilateral relations in the areas of politics, economy and culture, and reiterated their willingness to strengthen and improve relations between the two countries and communist parties.

Both leaders also expressed serious concern over growing tensions in Asia, TASS said.

Gorbachev said the Soviets fully supported the Democratic People's Republic of Korea's efforts directed at ensuring the withdrawal of U.S. troops and nuclear weapons from South Korea, the turning of the Korean peninsula into a nuclear-free zone and the peaceful reunification of the country without foreign interference.

Kim began a friendly visit to the Soviet Union on Wednesday at the invitation of Gorbachev.

RENMIN RIBAO ON SOVIET PULLOUT FROM AFGHANISTAN

HK260823 Beijing RENMIN RIBAO in Chinese 24 Oct 86 p 6

["Commentary" by RENMIN RIBAO reporter Shi Zongxing (0670 1350 2502), specially filed from Islamabad on 21 October: "Insufficient To Solve the Crux of the Problem"]

[Text] Since 15 October, the Soviet Union has successively withdrawn three anti-aircraft artillery regiments, two motorized infantry regiments, and an armored vehicle regiment, altogether about 8,000 soldiers, from Afghanistan. Since the number of soldiers withdrawn is very small and since these soldiers are quite unimportant to the Afghanistan theater, people generally think that this Soviet move will not bring about any substantive changes in the basic situation in the Afghanistan theater and that it is no indication that the Afghanistan issue, which is now 7 years old, can be settled politically in the near future.

The Soviet Union has noisily publicized the withdrawal of these troops. According to some reports, since July this year, when Gorbachev announced the withdrawal in Vladivostok, Soviet officials have asserted on various international occasions that: "This is a new Soviet contribution to settling the Afghanistan issue politically." Of course, the Soviet press has chimed in with them. When the withdrawal began, the Soviet Union invited many foreign correspondents to observe the withdrawal on the Soviet-Afghan border or in Kabul. Obviously, the Soviet Union wants to make the withdrawal a big show and to give "some significance" to this practically insignificant Soviet move.

However, the international community has not responded to this move as enthusiastically as the Soviet Union expected. Some people have indicated a cautious welcome, but even more people think that this is "just a gesture" or a "token" "that cannot solve the crux of the problem."

First, only a very limited number of Soviet soldiers have been withdrawn from Afghanistan. In addition, these soldiers played only a very insignificant role in Afghanistan. The 8,000 Soviet soldiers withdrawn from Afghanistan constitute only 5 percent of the 115,000 Soviet soldiers in that country. They are still the more insignificant compared with the figure of 250,000 Soviet soldiers in Afghanistan revealed by Najibullah, the new leader of the Kabul regime. Moreover, according to reports from foreign news agencies, several months prior to the withdrawl of these troops, the Soviet Union had sent a new combat force of 15,000 to Afghanistan. The troops that have been withdrawn are mainly anti-aircraft artillery and armored units. Since the Afghan guerrilla force has not even a single aircraft and because of the rugged terrain in the country, these units "played a very insignificant role" in the Afghanistan theater. No wonder there are people who suggest that the withdrawal is just a fake whose purpose is to replace some Soviet units by others.

Second, when the Soviet Union announced the partial withdrawal, it refused to announce a complete withdrawal timetable but simply reiterated that "so long as the external intervention in Afghanistan continues, the Soviet Union will not sit by with folded arms and." People generally think that the Soviet Union is not sincere about this issue. Although since 1982, when the first round of indirect talks at Geneva began, there have been eight rounds of such indirect talks, the stalemate persists. The crux of the matter is that the Soviet Union has so far failed to produce a specific withdrawal timetable. Since the beginning of this year, Soviet and U.S. leaders and experts have held many rounds of talks on the Afghanistan issue. However, the Soviet Union has not shown any "flexibility" so far. When the withdrawal of the six regiments began, the Soviet Union remained silent on further withdrawal plans. This gives one the impression that the Soviet Union's Afghanistan policy has remained basically unchanged and that the Afghanistan issue cannot be thoroughly settled in the near future.

And third, since it announced the withdrawl of some troops from Afghanistan, the Soviet Union has not reduced its military operations in that country. According to Afghanistn sources, Soviet offensives against the Afghan guerrilla force remain as ferocious and frequent as they were before, Soviet troops continue to massacre common Afghan people, and they still frequently intrude into Pakistani territory.

The Afghan resistance force has unambiguously reacted to the withdrawal of Soviet troops. On 13 October, at a press conference held in Peshawar, Professor Mojadidi, spokesman for the Islam Crusader's Alliance, the most important Afghan resistance organization, pointed out that the partial withdrawal of Soviet troops is just "propaganda," whose purpose is to distract world attention." He also indicated that the Afghan people will not be fooled by this propaganda and that they will continue to fight until all Soviet troops have been driven out of Afghanistan.

DEPLOYMENT OF SOVIET MISSILES IN AFGHANISTAN

HK270138 Hong Kong HSIN WAN PAO in Chinese 26 Oct 86 p 1

["News Talk" column: "Soviet Military Deployment in 'Wakhan Corridor'"]

[Text] According to the foreign press, the Soviet Union has reached a secret agreement with Afghanistan on taking over jurisdiction of Wakhan. After years of management and the stationing of massive forces, the Soviet Union possibly has an intermediate-range nuclear missile base there.

If this is true, it would be contradictory to the withdrawal of 6,000 soldiers as publicized by the Soviet Union. It was reported long ago that the withdrawal of Soviet troops from Afghanistan was but a smoke screen. It was actually the relief of troops because the Soviet Union had dispatched new troops there previously.

If you want to know the strategic position of Wakhan in Afghanistan, you should unfold a map and carefully observe its relations with the neighboring countries because a slight change there may produce an impact on China, Pakistan, and India.

Afghanistan has a special topography. In the northeast, it has a long, narrow zone stretching eastward which is around 300 kilometers in length and 13 to 65 kilometers in width. This is Wakhan, an area named after Wakhan City.

Only one edge of the Wakhan area is adjacent to China. Moreover, the Wakhan corridor, which is only scores of kilometers wide from north to south, separates the Soviet Union from Pakistan. Thus, this tiny region is adjacent to three countries. Without the permission of Afghanistan, the Soviet Union cannot go southward and enter Pakistan.

Now, after taking jurisdiction over Wakhan from Afghanistan, the Soviet Union has secured two military benefits. First, it can cast its greedy eyes on China's Xinjiang at the eastern end of the Wakhan area and extend its influence to Kashmir, which is a disputed land between India and Pakistan. Second, with the Wakhan corridor in Soviet hands, the Soviet Union is now contiguous to Pakistan. The military pressure on Pakistan is greater from this area than from Afghanistan, where there is a Soviet garrison.

Some foreign newspapers suggest that the Soviet Union has at least built some basic facilities for a medium-range guided nuclear missile base in that area and that this base is to specially deal with China and Pakistan.

Both China and Pakistan have some reservations on what the Soviet Union calls the withdrawal of troops from Afghanistan. In addition, they have also urged the Soviet Union to withdraw all its troops from that country. This is related to the changes in the Wakhan area.

In recent years, China and Pakistan have been developing land transportation by building highways on the Pamir Plateau. Although the task is formidable, it has significance. With these highways, traders and travelers can directly go from one place to another. In addition, these highways are multi-purpose highways. In May this year, Port (Kunjirap), which is situated on the highway along the border between the two countries, was opened to the world. Since then, a bus service has been operating from it. (Kunjcap) is just about 100 km south of Afghanistan's Wakhan area. The purpose of this could be to counteract the Soviet garrison in Wakhan.

The Soviet Union has so far annexed Afghanistan's Wakhan, secured the right to enter Korea's Nampo Port, which is directly opposite of China's Dalian Port, and turned Vietnam's Cam Ranh Bay into Soviet naval and air base. All this has inevitably made the East Asian countries and their peoples more vigilant.

FURTHER REPORTAGE ON HONECKER'S VISIT TO PRC

Visits Martyr's Cemetery

OW241533 Beijing XINHUA in English 1452 GMT 24 Oct 86

[Text] Nanjing, October 24 (XINHUA) -- German Democratic Republic top leader Erich Honecker viewed the Yangtze River Bridge here this afternoon in the company of General Secretary Hu Yaobang.

Honecker, general secretary of the Central Committee of the German Socialist Unity Party and chairman of the Council of State of the GDR, and his party were greeted at the bridgehead by 500 youngsters singing, dancing and waving ribbons, hundreds of balloons were released.

The 6,772-meter-long bridge, inaugurated in 1968, bears a heavy traffic of about 180 trains and more than 10,000 vehicles a day.

Then, Honecker came to Yuhuatai (Rain Flower Terrace), a mausoleum for revolutionary martyrs in southern Nanjing.

The place was formerly the execution grounds where over 100,000 patriots were murdered under the Kuomintang's reactionary rule. It was made into a memorial park after the founding of the People's Republic of China in 1949.

At Yuhuatai, Honecker laid a wreath at a sculpture of martyrs and planted a cypress beside the Martyrs Memorial Hall. He wrote on the visitors' book: "For the lofty cause, for peace and for security, the martyrs did not shed their blood in vain."

Later, the GDR leader visited the mausoleum for Dr. Sun Yat-sen.

This evening, the GDR visitors were honored at [words indistinct] by local party and government leaders. Hu Yaobang was present.

Accompanied by Chinese State Councillor and Foreign Minister Wu Xueqian, Honecker and his party arrived here from Beijing by air this morning.

Hu Yaobang Toasts Honecker

LD241534 East Berlin ADN International Service in German 1012 GMT 24 Oct 86

[Text] Nanjing, 24 Oct (ADN) -- The following text is the toast of Hu Yaobang, general secretary of the CPC Central Committee:

As the first highest-ranking representative of the GDR party and state leadership since the establishment of diplomatic relations 37 years ago between our two states, Comrade Erich Honecker paid the PRC an official friendship visit. I am exceedingly happy today to meet once more with Comrade Erich Honecker and the other high GDR guests during their stay in Nanjing, a city which belongs to the six ancient imperial capitals of China.

In the 1950s Comrade Erich Honecker and I held leading positions in the Central Council of our youth organizations, and we were both involved in the international youth movement. Allow me, please, to welcome you cordially once again, Comrade Erich Honecker, and your entourage.

Over the past days Comrade Erich Honecker has had a wide-ranging and detailed exchange of views with Comrades Deng Xiaoping, Zhao Ziyang, Li Xiannian, and myself regarding bilateral relations and international questions, which led to satisfactory results. Your visit, Comrade Erich Honecker, is an important contribution toward the promotion of relations between both states and parties and toward deepening the friendship and mutual understanding between the two peoples and is thus of the greatest significance. It can be said without exaggeration that Comrade Erich Honecker's successful visit is an important milestone in the history of relations between our two countries.

The PRC and the GDR are two socialist states of the same age. For a long time our two peoples proclaimed their liking and sympathy for one another and supported each other. Although there have been twists and turns in reciprocal relations in the past, it is felicitious that the friendly cooperation between our countries in the political, economic, cultural and other spheres has expanded rapidly in the past years and has thus imbued the traditional friendship between our two peoples with new vitality. Looking into the future, it would be true to say that our reciprocal cooperation has large reserves and wide prospects. I am convinced that we will succeed in securing an even better and brighter future for our two countries so long as we are guided politically by the principle of mutual respect, and economically by the principle of equality and equal benefit.

At this point I should like to stress that the party and Government of China attach very great value to the many common features between the two countries but, at the same time, fully and completely understand the differences between them, which are conditioned by specific historical circumstances and the specific environment. We wholly respect the course worked out by the GDR in accordance with its conditions for the construction of socialism, the foreign policy pursued by it in the interests of its state and its ideas regarding the PRC and its specific steps toward shaping its relationship with the PRC. This is the essence of our fundamental policy toward the GDR and other East European socialist states.

In order to lead to success the work of construction in our countries, we need a durable peaceful environment. The PRC is pursuing an independent and self-reliant foreign policy of peace, and it is striving untiringly for detente, the safeguarding of world peace and the encouragement of international cooperation. We advocate that relations between states must be based on the five principles of peaceful coexistence. These principles should apply between states of different social systems. The socialist states, above all, ought to adhere to these principles in an exemplary manner. All interference, aggression and humiliation of other states is an unjust act which runs counter to the norms of international relations and which we resolutely reject.

We understand most deeply the concerns of the people of the GDR and other European peoples regarding the situation in Europe. In history, Europe was the cradle of modern civilization and of the industrial revolution. At present, too, Europe plays a decisive role in international political and economic life. Conversely, Europe has been the starting point for two world wars this century and is today a region of serious confrontation, in which is situated the largest concentration of troops and weapons in the world. The situation in Europe is connected to the safegarding or endangering of world peace and is followed attentively by the peoples of the whole world. We desire sincerely that the East and West European states, including the two German states, should intensify dialogue, reduce tentions in their relations and expand their contacts. The GDR, under the leadership of Comrade Erich Honecker, has developed a series of important views and initiatives and undertaken indefatigable efforts for the preservation of peace in Europe and in the world.

All this meets with our highest appreciation and recognition. I am convinced that, as far as peace and stability in Europe, Asia and the world are concerned, we can be full of hope, if all peace-loving peoples and states proceed to action.

'Text' of Honecker Toast

LD241418 East Berlin ADN International Service in German 1040 GMT 24 Oct 86

[Text] Nanjing, 24 Oct (ADN) -- The toast of Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, is as follows:

Our stay in the PRC which has been rich in content and experiences has passed. I should like to stress all the words which you [Hu Yaobang] said on the shaping and importance of the exchange of views conducted with us. Above all, I am glad that you remember our youth so well and our joint activity in the World Federation of Democratic Youth. Also, I was pleased that we met in Beijing as the general secretaries of our two parties. And this, as you rightly stated, after 33 years.

We have since grown somewhat older, but our exchange of views has underscored that our ideas never grow old. The socialist social order is an order which keeps us young and which remains eternally young.

First, I should like to thank you, dear Comrade Hu Yaobang, for the invitation to this luncheon. We have just ended extraordinarily fruitful talks, which are of far-reaching importance for the further development of the traditional friendly relations between our parties, states and peoples. We were able to find many common features, since you and I are representatives of two parties and states which are working for a common goal: The maintenance of peace and the construction of socialism.

You rightly stated that the PRC and the GDR are states of the same type. I should like to stress that with these words: We are united in thought and deed. Our parties are linked by rich historical traditions of the common revolutionary struggle, which received a qualitatively new upturn with the founding in 1949 of the GDR and the PRC. There were many cordial meetings between comrades from our two parties and states in those difficult early years.

These bonds of friendship are meeting their continuation and deepening with our exchange of views and experiences in these October days in 1986. Yes, I can pronounce here a result of our analysis, of our exchange of views: We have opened a new page in relations between the SED and the CPC.

We have been able to take a close look at what the Chinese people are achieving under the leadership of the CPC in creating a life of happiness and prosperity. With all our heart we wish you, all communists and all working people of China, new great successes in the further construction of socialism in preparation for the 13th CPC Congress.

As we clearly stated in our talks, our two parties proceed from the assumption that the work of socialist construction can be successful only in peace. We are in agreement that the maintenance and safeguarding of peace is the main task of the present and that an end must be put as quickly as possible to the arms race, which threatens the existence of all peoples. We welcome the PRC's support for the maintenance of peace, especially against the extension of the arms race into outer space. We value highly your personal commitment to the cause of peace and to international friendship, dear Comrade Hu Yaobang.

The initiatives of the USSR, the PRC, the GDR and the other socialist countries are directed at the prevention of a nuclear inferno. I can assure you again that the GDR supports every initiative and every proposal which bears witness to the firm desire to contribute to the soothing and amelioration of the tense world situation. We shall also continue to join together in a coalition of reason and realism with all forces of the world which seriously desire peace.

Our detailed talks, which were rich in content, have taken place in an open, constructive atmosphere. I shold like to thank you sincerely, dear Comrade Hu Yaobang, and all the other leading comrades with whom I have spoken during this time for this. We shall further expand and deepen our cooperation for the strengthening of socialism and the safeguarding of peace for the benefit of our peoples. We shall do this in the knowledge that cooperation of all socialist countries for the safeguarding of peace, the highest possession of mankind, is of such great importance and carries such great responsibility.

Concludes Talks With Hu Yaobang

LD241514 East Berlin ADN International Service in German 1101 GMT 24 Oct 86

[Text] Nanjing, 24 Oct (ADN) -- The general secretaries of the SED and CPC Central Committees Erich Honecker and Hu Yaobang, concluded their talks in Nanjing successfully on Friday. In their Exchange of views, during the third round of talks, which was marked by great cordiality and openness, the two party leaders touched on current international problems and bilateral matters. Erich Honecker and Hu Yaobang reiterated their firm desire to do everything for the maintenance of peace in the world and to deepen further the friendly relations between the two parties, states, and peoples.

The meeting of the general secretaries was attended by members of Erich Honecker's official entourage. Present for the Chinese side were: Wu Xueqian, member of the the CPC Central Committee Political Bureau, state councillor and minister of foreign affairs; Han Peixin, member of the CPC Central Committee and secretary of the Jiangsu Provincial CPC Committee; Qian Qichen, vice minister of foreign affairs; and Ma Xusheng, PRC ambassador to the GDR.

Afterwards, Hu Yaobang invited the participants in the talk to a luncheon which he hosted in honor of Erich Honecker. Gu Xiulian, governor of the Jiangsu provincial people's government, was also present at the friendly gathering, which took place on the 36th floor of the Jin Ling Hotel, the guest's residence during his stay in Nanjing.

Hu Dinner for Honecker

LD242227 East Berlin ADN International Service in German 1647 GMT 24 Oct 86

[Excerpt] Nanjing, 24 Oct (ADN) -- The fourth day of the official friendship visit by Erich Honecker to the PRC concluded with a dinner which was given in honor of the general secretary of the SED Central Committee and chairman of the GDR State Council by Han Peixin, member of the CPC Central Committee and secretary of the Jiangsu provincial party committee, and Gu Xiulian, governor of the province, in which Hu Yaobang, general secretary of the CPC Central Committee, took part.

Before the start of the friendly gathering in the banqueting hall of the Jin Ling Hotel, leading citizens of Jiangsu Province and the city of Nanjing were presented to Erich Honecker. Gu Xiulian and Erich Honecker delivered toasts.

After the meal, Hu Yaobang took his leave of Erich Honecker with a friendly embrace and best wishes; Honecker travels on to Shanghai on Saturday. [passage omitted]

Jiangsu Governor Hosts Dinner

LD250140 East Berlin ADN International Service in German 1656 GMT 24 Oct 86

[Text] Nanjing, 24 Oct (ADN) -- Gu Xiulian, governor of the Jiangsu Province, said in her toast [at the dinner for Erich Honecker today]:

It is a great honor for us to give a banquet here this evening to welcome Comrade Erich Honecker on the occasion of his visit to Jiangsu Province. The personal presence of Hu Yoabang: general secretary of the CPC Central Committee, at the banquet is also a great pleasure for us. On behalf of the party committee of Jiangsu Province and the government, I would like to warmly welcome the general secretary of the SED Central Committee and chairman of the GDR State Council again. I also greet all the comrades from the GDR. I express my great respect to all of you.

Our two parties, peoples, and states are linked in close friendship. It is our joint wish to deepen this friendship further. The SED and the GDR people have achieved great successes in socialist construction. We have the sincere desire to learn from your experience. In recent years, the exchange of experience in economy, science, technology, culture, and sport has steadily increased.

Erich Honecker's visit to Nanjing and to our province will lend a fresh impetus to the friendly cooperation between our province and the friendly GDR. Jiangsu lies on the southwest coast of the PRC. It is one of the most economically developed provinces of the country. In our mild climate China's most beautiful fruits flourish. Jiangsu is described as the home of fish and rice. Here, too, we are following the policy of stimulating the economy internally and opening up the country to the outside.

In our province, as throughout the whole country, the lively development of socialist construction continues. The working people of our province are in the process chiefly of modernizing the economy as rapidly as possible in order to contribute to the well-being of the entire people.

We are very pleased that Comrade Erich Honecker is visiting Jiangsu at this time, when autumn is wearing its colorful dress. Nanjing is one of China's six oldest capitals and has a famous revolutionary tradition. We very much hope that Comrade Erich Honecker and the other GDR guests will take lasting impressions of Nanjing home with them. May friendship and cooperation continually develop between China and the GDR.

Honecker Gives Dinner Speech

LD242119 East Berlin ADN International Service in German 1734 GMT 24 Oct 86

[Text] Nanjing, 24 Oct (ADN) -- Here is the text of the toast by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, at the dinner in Nanjing.

Permit me to thank you most sincerely for the invitation to Nanjing and the hospitality shown to me and my entourage. In your city we have familiarized ourselves both with evidence of the revolutionary history of China and with examples of successful socialist construction. As in Beijing, we were able to convince ourselves here also of the fact that the great achievements of the Chinese people stand them in good stead even today.

Deeply moved, we toured the Sun Yat-sen mausoleum. Here one of the first fighters for the national and social liberation of China, a truly great son of the Chinese people, found his last resting place. The German workers' movement has always paid high tribute to the revolutionary work of Sun Yat-sen. In a telegram from the Central Committee of the Communist Party of Germany dated 17 March 1925 to the Central Committee of the Kuomintang on the occasion of the death of Dr. Sun Yat-sen, his decades-long struggle for the liberation of the workers' strata of China and his support for international solidarity were given special emphasis.

Your city is also a symbol of the heroic struggle of your people and above all of the communists against internal and external reaction and oppression. You have set up a lasting memorial to the daughters and sons of your people who fell in the struggle or who were cruelly murdered. We are very impressed by this monument to the heroism of the Chinese people.

Thousands of kilometers separate the GDR from the PRC. But regardless of geographical distance, our states and peoples are closely linked through decades of joint struggle and active solidarity. The almost simultaneous founding of the GDR and the PRC is one of the greatest historical events which stand for the conquest of fascism and militarism and of oppression and war. Our peoples entered into a new era in which the work of the people was important. A close cooperation developed quickly between our two countries. The common struggle for peace and socialism is the sure foundation of our cooperation in the present and the future. The GDR will do everything so that this becomes more extensive, closer and more intensive. This benefits our two peoples, the preservation of peace and the international spreading of socialism.

In our talks with the leading comrades of your country, both of the party and the state, we came unanimously to the view that the all-round development of our relations accords with the interests of our peoples and that we would do everything in order to deepen further and to develop in the long term the fruitful cooperation to the good of our states and peoples, to the good of peace and socialism. In this, Jiangsu Province and Nanjing City will play an increasing role. The diverse impressions which we have been able to collect in your tradition-rich, interesting and beautiful city will forever remain clear in our memories.

It is a fundamental concern of the GDR and of the PRC to support the preservation and securing of peace in the world. This striving for peace by our two states originates in the character of our socialist social system and our historical experience. Socialism and peace are inseparably linked with one another.

The GDR is, at the side of all socialist countries, in favor of a change for the better in international politics. We are in favor of a world without war and without weapons, as is expressed also in the proposals of the Budapest meeting of the Warsaw Pact member-states.

It is essential that international politics again become responsible. We see as the most important task the prevention of a nuclear inferno. Multifaceted initiatives emanate from the USSR, the PRC and the other socialist states in this direction.

We do not want to squander our energies in an ever more dangerous arms race, but rather to devote ourselves to socialist construction. This is why the consistent policy of dialogue of the GDR is directed at the reduction of arms and the revival of detente.

The GDR welcomes the involvement of the PRC for the preservation and strengthening of peace. Like China, we too are opposed to an extension of the arms race into space, and in favor of the elimination of weapons of mass destruction and the reduction of conventional arms. The forces to achieve this are there. The cooperation of the countries of socialism is a factor of special importance in this.

Permit me finally to thank you once more for the stay in Nanjing which was interesting and rich in experiences. I wish you new success in your great work of construction from the bottom of my heart.

Arrives in Shanghai

LD251327 East Berlin ADN International Service in German 0239 GMT 25 Oct 86

[Text] Shanghai, 25 Oct (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, arrived in Shanghai this morning, the 5th day of his visit. Coming from Nanjing, he was cordially welcomed at the airport of this city of 11 million inhabitants by Rui Xingwen, secretary of the municipal party committee, and Jiang Zemin, the mayor. Employees of the consulate-general, lectures and sailors from the GDR were present for Erich Honecker's reception.

Visits CPC Historical Site

OW251318 Beijing XINHUA in English 1312 GMT 25 Oct 86

[Text] Shanghai, October 25 (XINHUA) -- Erich Honecker, top leader of the German Democratic Republic (GDR), visited the site of the First National Congress of the Communist Party of China (CPC) here today.

"The birth of the CPC provided a great impetus to the Chinese workers' movement and the revolutionary struggle in the whole world," he wrote in the visitors' book.

The GDR leader also presented photos and copies of historical documents, showing the militant friendship between the German and Chinese Communists, to the memorial hall of the site. Later Honecker placed a basket of flowers at a statue of the standing figures of Karl Marx and Friedrich Engels in a park. He thanked the CPC Shanghai committee and the working class of the city for building the statue of the greatest sons of the German people.

Honecker also visited a township in Shanghai's suburbs where he inspected workshops, rice fields and a fish pond and called on a peasant family.

This evening Honecker and his party were honored at a banquet given by Rui Xingwen, secretary of the CPC Shanghai Committee, and Jiang Zemin, mayor of Shanghai.

Shanghai Mayor Toasts Honecker

LD252205 East Berlin ADN International Service in German 1513 GMT 25 Oct 86

[Text] Shanghai, 25 Oct (ADN) -- The following is the text of the toast by the Shanghai Mayor Jiang Zemin:

Comrade Honecker and the other comrades from the GDR paid a visit to Shanghai today after visiting Beijing, holding friendly talks with leading comrades of the party and government of our country, visiting Nanjing and meeting General Secretary Hu Yaobang. You have conveyed to us the feelings of comradeship and friendship of the GDR people and we are very pleased about that. Please permit me, on behalf of the Shanghai City CPC Committee, the city people's government and its 12 million inhabitants, to extend a very warm welcome to you, the messengers of friendship from the GDR.

The people of Shanghai are very familiar with the GDR. They have feelings of friendship and comradeship towards the people of the GDR, which has a glorious revolutionary tradition. We regard the maintenance and development of friendship between the peoples of China and the GDR as a noble obligation and are prepared, hand-in-hand, to make a contribution to the promotion of relations of friendship and cooperation between China and the GDR, and tirelessly devote all our strength to the development of friendship between the two countries' peoples.

We have received numerous important delegations from the GDR since last year. They included high-ranking delegations headed by Comrade Sindermann, president of the People's Chamber; Comrades Schuerer and Kleiber, deputy chairmen of the Council of Ministers; and Comrade Margot Honecker, minister of education. All these visits have actively contributed to the development of cooperation between the two countries in numerous spheres and to the promotion of friendship and mutual understanding between the peoples of our states.

We now have the opportunity today to receive Comrade Honecker, which gives us special pleasure and is a great honor. I am deeply convinced that your visit has written a new chapter in the history of the friendly cooperation between China and the GDR and in the relations of comradeship and friendship between peoples of the two countries. From the bottom of our hearts, we wish your visit complete success.

We know that the GDR people, under the leadership of the SED headed by Erich Honecker, work diligently and with all their might for socialism, and make a valuable contribution to the flourishing of the country and world peace.

Shanghai, as the largest city of industry and science, technology and culture of China as well as a foreign trade port, has taken on an important task. Like the peoples of the entire country, Shanghai is resolutely implementing the policy of reform and opening-up stipulated by the Central Committee. Shanghai is learning about the progress of science and technology in all countries and is making valuable progress in speeding up the construction of socialism in China.

Industry in the GDR is developed, technology is well advanced and in those areas, cooperation between the two states has a broad scope. We are happily prepared to strengthen the relations of cooperation with socialist GDR, extend economic exchanges and expand scientific and cultural exchanges. This year the GDR consulate-general has resumed its activity. This is of extremely great importance for the strengthening of relations between Shanghai and the GDR and for the deepening of mutual understanding.

Comrade Honecker will shortly end his successful visit to our country. I ask you with all my heart to convey the warmest greetings and best wishes of the people of Shanghai to the GDR people on returning to our country. I wish the GDR prosperity and progress and your people happiness.

I now ask you all to raise your glass to the steady development of friendly cooperation between China and the GDR, to friendship between the peoples of the two countries, to the health of all the comrades from the GDR, to the health of all the comrades present.

Honecker Toast at Dinner

LD251801 East Berlin ADN International Service in German 1344 GMT 25 Oct 86

[Text] Shanghai, 25 Oct (ADN) -- Here is the text of the toast by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State [at dinner in his honor in Shanghai on 25 October]

It is my duty first to thank you for the friendly reception in your hospitable city. At the same time, dear Comrades Rui Xingwen and Jiang Zemin, I am very indebted to you for the friendly words which you have found for me, my entourage, and the people of the GDR.

I willingly took up the invitation to visit Shanghai, the largest city in China. Its development is closely connected with the struggle of the Chinese working class against exploitation and foreign oppression, and for the formation of a new, just order, the construction of socialism. At the same time we recall that this beautiful and dynamic city was many times in history the scene of warlike imperialist demonstrations of power. The heroic and self-sacrificing struggle of the Chinese people for their freedom will forever remain unforgotten.

Today we stopped at a place which is sacred to the revolutionary international workers' movement. We stopped in Shanghai at the place where the glorious Communist Party of China, whose 65th birthday was solemnly celebrated a few months ago, was born. An important impetus for the revolutionary workers' movement of China and of the world emanated from there.

The German communists, with our unforgotten comrade Ernst Thaelmann at the head, were always the friends and comrades-in-arms of the Chinese people in their just struggle, and shared both joy and sorrow with them. But here in Shanghai as well, German communists worked closely with Chinese communists, for example Comrade Johannes Koenig, who later became the first GDR ambassaor to the PRC.

In recent days I had the chance to acquaint myself with your country and with the work of Chinese workers. The representatives of the GDR who were recently guests of your city briefed me in detail about their impressions but, as an old Chinese proverb says, it is better to see once than to hear 10 times.

One looks at the world-famous cultural and historical sites, which speak of the great mastery of Chinese culture and art in times past, with awe.

One feels all the more moved if one sees with what involvement and what zest the Chinese people under the leadership of the CPC are implementing their far-reaching plans for the development of the national economy, for raising the standard of living, and for the creation of a life in socialism, peace and happiness. Marx and Engels, to whom your city put up such an impressive monument, are in this way witnesses of what is being done here and everywhere in China in the accomplishment of their ideas.

From the Shanghai of the foreign, fortune-seekers, careerists and enigmatic underground figures which the famous writer Mao Dun characterized so strikingly in his novel "Shanghai in the Twilight", there arose after the liberation a socialist city with modern production facilities, a significant center of industry, science, trade and commerce. The port of Shanghai is regularly visited by our merchant ships, too, and has become a bridge between our peoples. I wish you, dear Chinese comrades, for the future as well, further great successes in the realization of your demanding targets, which serve the strengthening of socialism and peace.

In the international situation today, which is weighed down by tensions and dangers, the question of the fate of mankind is posed with total clarity. The GDR will shy away from no efforts to continue and to expand dialogue with all forces who have preservation of peace close to their hearts. We agree that the preservation and securing of peace is the core of socialist foreign policy, and the elementary precondition for further socialist construction work. For this reason questions of securing peace will always occupy an important place in further cooperation between our parties and states.

Our numerous meetings and talks in your country confirm the high standing of relations between the PRC and the GDR. Through the agreements now reached, relations between our parties, states and peoples are reaching a yet higher stage. New, concrete and more intensive forms of thier further development will also be possible.

We accord particular attention to the further good development of economic and trade relations with your country. On the basis of equal rights and of mutual benefit, the trade volume will increase, and the cooperation relationships in specific branches of industry will deepen.

At the same time Shanghai -- we are certain -- as in the past, will have a decisive and indeed growing part. In the future even more merchant ships of the GDR will testify in the Shanghai port to the friendship and cooperation between the our states and peoples. The GDR has taken this development into account with the resumption of activity of the GDR Consulate General in Shanghai. Mutual traffic in visitors and exchange of experience between our states in constantly increasing.

Over thousands of kilometers, old friendships are being revived and new ones made. All doors stand open for wider cooperation.

I am pleased at the successful course of my visit to the PRC and think that it has brought our parties, states and peoples closer to one another. From it new impetus will emanate for our friendly relations and for socialist construction in our countries. It was imbued with the wish of the two states and peoples to contribute towards protecting the world from a nuclear catastrophe and guaranteeing peace permanently.

Wu Xueqian Bids Farewell

OW260700 Beijing XINHUA in English 0651 GMT 26 Oct 86

[Text] Beijing, October 26 (XINHUA) -- Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the Council of State of the German Democractic Republic (GDR), and his party ended their official friendship visit to China and left here this morning.

Seeing them off at Beijing airport were Chinese State Councillor and Minister of Foreign Affairs Wu Xueqian, head of the International Liaison Department of the Chinese Communisty Party Central Committee Zhu Liang, Minister of Foreign Economic Relations and Trade Zheng Tuobin, and Minister of Chemical Industry Qin Zhongda.

The GDR Ambassador to China Rolf Berthold was also among those present to see the GDR guests off. Erich Honecker and his party returned here this morning from Shanghai by special plane in the company of Wu Xueqian.

Honecker Satisfied With Visit

OW260714 Beijing XINHUA in English 0708 GMT 26 Oct 86

[Text] Beijing, October 26 (XINHUA) -- German Democratic Republic (GDR) top leader Erich Honecker expressed his satisfaction with his six-day China visit at an interview here today with Chinese reporters before leaving China.

The visit has been quite successful and both sides have reached unanimity on bilateral relations and some international issues, said Honecker, general secretary of the Central Committee of the German Socialist Unity Party and chairman of the State Council of GDR.

It will doubtlessly have positive impact on the furtherance of traditional friendly relations between the two countries, parties and peoples, he added. He said he was deeply impressed by China's development and thanked the Chinese people for their hospitality.

Honecker flew in here from Shanghai this morning before his departure after his official friendship visit to the country.

Honecker Thanks Hu Yaobang

LD261049 East Berlin ADN International Service in German 0435 GMT 26 Oct 86

[Text] Beijing, 26 Oct (ADN) -- From on board his special aircraft Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, conveyed the following telegram on Sunday to Hu Yaobang, general secretary of the CPC Central Committee, and Li Xiannian, president of the PRC:

On leaving the PRC, I warmly thank you once more for the hospitality shown to me and to those accompanying me during the official friendship visit to your great and beautiful country. The talks, which were marked by mutual understanding, express the deep desire of our parties, states and peoples to work actively to safeguard peace in the world. I am convinced that we shall be serving the well-being of our peoples and strengthening socialism with the jointly agreed deepening of relations and cooperation between our states.

CENTRAL CIRCULAR ON ENTERPRISE LEADERSHIP REFORM

OW220931 Beijing XINHUA Domestic Service in Chinese 0243 GMT 20 Oct 86

[Text] Beijing, 20 Oct (XINHUA) -- Having decided to further carry out the system of plant directors assuming full responsibility, the CPC Central Committee and the State Council has called on directors, party organizations, and trade unions of state industrial enterprises to strive together to successfully carry out the important reform of the system of enterprise leadership.

On 15 September, the CPC Central Committee and the State Council promulgated the "Regulations on Work of Directors of Industrial Enterprises Owned by the Whole People," the "Regulations on Work of Grass-Roots Party Organizations of Industrial Enterprises Owned by the Whole People," and the "Regulations on the Congresses of Staff and Workers of Industrial Enterprises Owned by the Whole People," and at the same time issued a circular calling on industrial enterprises owned by the whole people striving to reform the system of enterprise leadership to conscientiously implement these regulations from 1 October this year.

The "circular says: The reform of the system of enterprise leadership is an essential part of the reform of the economic structure in cities. The basic content of the reform is that enterprises should practice the system of directors assuming full responsibility in production, management, and administrative work; that the scope of work of enterprise party organizations should be made clear so as to ensure and supervise the implementation of all party and state policies, and strengthen the ideological education, organizational structure, and ideological-political work of enterprise party organizations; and that the system of congresses of staff and workers and all systems of democratic management should be further improved so that the role of trade unions and of the representatives of staff and workers can be brought into full play in such areas as deliberating major policies of enterprises, supervising leading administrative cadres, and protecting the legal rights and interests of staff and workers. Having been a subject of experimentation in some of China's industrial enterprises owned by the whole people since 1984, this reform has achieved the following marked results:

First, the enterprises' production and management system has been strengthened. This is manifested in effective command, fast policy-making, and efficient work performance.

Second, the situation of making no distinction between party and administration, and between their duties, has been initially changed in enterprises. Now enterprise party organizations are free from administrative work; as a result, this has enhanced party organizations and party ideological-political work.

Third, the system of congresses of staff and workers has been established and improved. The content and scope of democratic management by staff and workers are defined step by step so that the sense of being responsible and being one's own master is enhanced.

Fourth, production has gone up steadily and economic results have increased.

From these achievements, we can see that the decision of the party Central Committee on reforming the system of enterprise leadership and on implementing the system of directors assuming full responsibility is correct and is suited to the needs of modern management of China's industrial enterprises. [paragraph continues]

It is necessary to point out that the reform of the system of enterprise leadership, like other reforms, should go through a step-by-step process of development from experimentation to maturation. Many new problems will definitely emerge during the course of reform, but they can only be solved through still more extensive reforms. The content of the reform of the system of enterprise leadership can only be systematized and standardized through actual practice. The three promulgated sets of regulations were drawn up on the basis of summing up the experimental of the past 3 years.

The "circular" stresses: While carrying out the system of directors assuming full responsibility, it is imperative to ensure the right of a director to make decisions on his enterprise's major problems in production and management and to stress the role of the director in administrative command. However, the implementation of the system of directors assuming full responsibility should not be regarded as being in conflict with enhancing and improving party leadership over enterprises and with consolidating and promoting democratic management. On the contrary, it is essential that administrative departments and party organizations of enterprises, and trade unions and other mass organizations, in the light of the division of labor, should fulfill the work within their respective scopes of duty while focusing on production and management, thus arousing the enthusiasm of all sectors. In order to fulfill this requirement, enterprise party organizations must make a drastic change, ranging from ideological concept to content or work and its methodology, that is, by freeing themselves from daily busy administrative work and switching the focus of work to vigorously helping directors fulfill targets they are responsible for and assume unified command over production and management activities during their term of duty, by ensuring and supervising the implementation of party and state guidelines and policies, and by doing a good job in party building and ideological and political work, so as to ensure success in enterprise production and management. In general, what the enterprise party organization ensures and supervises is mainly as follows: First, to ensure and supervise the socialist orientation of enterprise production and management; second, to ensure and supervise the full enjoyment of democratic rights by enterprise staff and workers; third, to ensure and supervise the correct handling of the relationship of interests among the state, enterprises, and staff and workers; fourth, to ensure and supervises is mainly as follows: First, to ensure and supervise enterprise compliance with laws and discipline and to protect legal rights and interests of the state and enterprises; fifth, to ensure and supervise proper implementation of all partry guidelines and policies by an enterprise and its director.

All in all, the enterprise party organization should educate its members to dare to reform, know how to reform, and support the reform. Toward those cadres, staff, and workers who have the courage to explore new dimensions and are eager to make progress, it should take a supportive attitude, passionately helping them correct their mistakes in their work, and supporting and encouraging them to continue to carry out the reform. To support the reform and to ensure its smooth implementation is an important task of the enterprise party organization in the new epoch. It is an objective demand of the new situation and conforms to the fundamental interests of the state and the people that the enterprise party organization switches its leadership over the work of its unit from that of discussing and deciding on major issues in production and management to leadership over the enterprise's ideological and political work, thus fulfilling its role of ensuring supervision. We hope that party organizations at all levels, through their own creative work, will continue to review their experience and make great headway.

The "circular" points out: The enterprise party organization should support the director in exercising his functions and powers, while the director should conscientiously accept supervision by the party organization and by the staff and workers.

The director and the party secretary should take the interests of the whole into account, collaborating with each other, conscientiously carrying out the three sets of regulations, effectively conducting the experiment of reforming the system of enterprise leadership, striving for building the two civilizations, improving and strengthening enterprise management, and fulfilling the nation's production plans and other objectives. As for those enterprises with directors or party committee secretaries who cannot meet the needs of the experiment, the departments in charge should make organizational adjustments.

The CPC Central Committee and the State Council state in the "circular" that the promulgation of the three sets of regulations is of great significance in overcoming the discordant situation in the current system of enterprise leadership, straightening out the multiple relationships, continuing to improve management standards, and accelerating the pace of the four modernizations. They hope that the party committees and the people's governments of all provinces, autonomous regions, and municipalities will strengthen their leadership over the experimental work in reforming the system of enterprise leadership, study and solve the problems emerging during the course of implementing the three sets of regulations, and, together with cadres, staff, and workers of pilot enterprises, make efforts to search for and formulate a management system for modern socialist industrial enterprises with Chinese characteristics.

UNANIMITY BASED ON RETAINED DIFFERENCES

HK260737 Beijing RENMIN RIBAO in Chinese 20 Oct 86 p 5

["Ideological Commentary" by Zhou Naishan (6760 0035 1472): "Only by Reserving Differences Can We Seek Common Ground"]

[Excerpt] [Passage omitted] Any society must have a given regulating mechanism to restrain forces and actions destructive to social stability. But as a society becomes more developed, it does not become more monotonous and poorer. Instead, it becomes increasingly rich and varied. It also leaves more room for differences in existence.

Marx advocated the gradual elimination of the three great differences. This cannot be interpreted as the establishment of a Utopian land without differences. After the elimination by socialist society of differences generated by classes, there still exist differences that are inherent and formed by other factors. Given an extremely great abundance of materials and the great development of spiritual civilization in the days ahead individually is not wiped out but is more spontaneously and consciously developed. Since individuality is more fully developed, the existence of differences is inevitable.

At any time we can only get rid of irrational differences in light of historical developments. But rational differences compatible with history would automatically crop up. At the current stage of our country, there are at least three categories of differences that help in social development.

The first category is the differences in a process of seeking common ground. For example, for the sake of common prosperity, a small number of people are allowed to first get rich. In a quest for unified awareness, differences are allowed in the process of recognition, just as we have in recent years solved the problem of cadres' awareness of the rural responsibility system.

Another category is neutral differences, such as varied tastes and preferences in matters like clothing, food and drink, habits of life, aesthetic standards, and so forth. [paragraph continues]

So long as these preferences do not upset social order or interfere with others' free development, they should be left alone and should not be arbitrarily made similar.

Still another category is differences having a positive and mutually complementary effect. Differences of this kind should be not only allowed to exist but, more importantly, protected with vigor and respected. If there is no letting a hundred schools of thought contend, there can be no academic boom. If there is no letting a hundred flowers bloom, there is no revitalization of literature and art. Without a full study of different views, there can be no policy decision put on a scientific and democratic basis. Without the combination of various economic components, there can hardly be any case of making good omissions and deficiencies. Without new nourishment being drawn from actual life and from other doctrines, there is no Marxist development.

As to the above differences, we can only reach unanimity based on retained differences. For the sake of unanimity, there must be retained differences. It can be said that this is new experience created by people in solving contradictions among themselves since the 3d Plenary Session of the 11th CPC Central Committee. Of greatly varied contradictions among the people, some naturally call for the seeking of unity through criticism and self-criticism. Some can also be allowed to co-exist with no need to insist on unity. Especially problems of an academic or ideological nature, which are unlike problems in work that must be decided upon quickly, and can be fully debated and discussed at great leisure in an atmosphere of mutual respect and mutual treatment on an equal footing. Truth itself has the strength of capturing a person's heart. Tolerance of certain differences and respect for independent will are a manifestation of confidence in self strength. There is no need to insist on seeking unity at a time not ripe and no need to establish authority on the strength of power and high-handed methods.

In China of the 1980's, people's channels of information are varied. More views have been aired. Ideological and political work is made difficult. Simple criticisms and accusations produce no effect. On the surface, this seems to be retrogression. Actually it is progress. Only given active thinking and the development of independent thinking can truth be tested and developed. We have no reason to bemoan the present being not as good as the past. Instead, we should without the least hesitation, develop democracy and a spirit of tolerance and let truth show its great strength in relaxed circumstances.

XINHUA COMMENTATOR URGES 'THOROUGHGOING' REFORM

OW240426 Beijing XINHUA Domestic Service in Chinese 0742 GMT 23 Oct 86

[Text] Beijing, 23 Oct (XINHUA) -- Carry Out Thoroughgoing Reforms, Increase Investment

[By] XINHUA Commentator

For a long time to come, our economic work in the rural areas can be roughly divided into two categories: Carrying out thoroughgoing reform, and increasing investment. The former is intended to increase the rural areas' vitality, and the latter is intended to maintain that vitality. With continuous vitality, sustained agricultural development can be guaranteed.

Reform and investment are closely interrelated. Without investment, reform cannot be successful. Over the past few years we have achieved significant successes in carrying out reforms.

However, because of an insignificant increase in investment -- in many localities, investment has even been reduced -- the growth of agricultural production has appeared to be slowing down. On the other hand, investment, without being reformed, cannot be effective. Owing to unscrupulous guidance and egalitarian practices in the past, our capital investment as well as labor investment were ineffective in many areas, seriously dampening the peasants' initiative. As such, the ways to make investment must be reformed. Without being reformed, investment either in the form of capital or in the form of labor can hardly be effective.

Judged by the needs of the current agricultural development, we should invest our agricultural capital and labor in the following areas: 1) funds primarily used to protect food prices; 2) scientific and technical research; 3) capital construction; and 4) training and intellectual development of needed personnel. Additionally, we should also set up some mainstay rural enterprises, especially farm produce processing enterprises producing feeds, powered milk, meat products, foodstuff, breeding stud pigs and chickens, and so forth. These enterprises are an extension of agricultural production, and an indicator of agricultural modernization.

We have achieved significant successes -- and accumulated a wealth of experiences -- in rural reform, which has been going on much longer than urban reform. This is a commonly acknowledged fact. However, we cannot say that rural reform has been accomplished. Although the second-stage reform of improving the procurement and marketing system, restructuring production, and developing commodity production has gone on for more than a year, it seems that the project has just started, and that there are still many problems to be resolved through actual practice and experiment. For example:

The contracted food procurement system must be improved. We should take positive action to stabilize and gradually reduce procurement by contract and expand procurement through the market. We should -- first by means of administrative measures and then by means of economic measures -- gradually replace incomplete economic contracts with genuine economic contracts.

The mechanism of market regulation should also be improved. The market cannot be enlivened simply by opening it. It must have a better organization and a new mechanism developed in the course of economic growth so that the interests of producers, traders, and consumers as well as those of state and local departments can be rationally regulated. In addition to developing the commodity market, we must also develop the market of major production means so that capital, technical know-how, labor service and other major production means can be properly combined and flow to where they can be applied most effectively and where they are most needed.

The cooperative system must be developed and improved. On the basis of consolidating the output-related contract system and allowing family-operated businesses, we must, according to the needs of development in the commodity economy, guide the peasants to cooperate in the fields of processing, storage, delivery, supplying, and marketing. Such a cooperation is an investment, and not an amalgamation of production. It is an attempt to create new social productive forces, and not an attempt to bring poorly-operated businesses together.

In short, our reforms must be thoroughgoing. We cannot afford to ease or discontinue our efforts.

MINORITY, MAJORITY RELATIONS UNDER DEMOCRACY

HK240935 Beijing GUANGMING RIBAO in Chinese 7 Oct 86 p 1

[Commentator's article: "The Minority Should Be Subordinated to the Majority Whereas the Majority Should Protect the Minority -- a Problem Arising in the Building of Democracy"]

[Text] While talking about democracy, we cannot but touch upon the problem of majority and minority. The original implication of democracy is the power of the majority to deal with (rule) the minority. Specifically speaking, various kinds of activities should be carried out in accordance with the principle of the minority being subordinated to the majority. Under normal conditions, it is impossible to make any resolution without such a principle.

The establishment of the principle of the minority being subordinated to the majority is historically more progressive than a single person facing the masses and acting arbitrarily. Under such a principle, the interests, will, and wisdom of the majority can be more effectively reflected. Consequently, people can make more correct decisions, implement them with fewer obstacles being encountered, avoid mistakes more eaily, and correct them more quickly once they have occurred. Some comrades have even though that a great historical tragedy like the "Great Cultural Revolution would not have been "launched," and the wrong resolution would not have been adopted if we had gone about things strictly in accordance with the pricniple of the minority being subordinated to the majority. Ours is a country with a long feudal history and little democratic tradition. It has suffered a lot from the pernicious influence of dictatorship. Some comrades who possess certain power might encounter major problems. They get accustomed to making arbitrary decisions, although they frequently do so out of good intention. Such arbitrary decisions are limited by the level of individual working capability, and other factors. They tend to cause mistakes, and bring big and small losses to the party and the state. Therefore, it has stil been a very important task to date to oppose arbitrary decisions by individuals, and strictly and resolutely implement the principle of subordinating the minority to the majority with regard to vital problems so that we can further systematize and legalize our democracy. thus, democracy will be independent of the likes and dislikes, or self-interest of individuals.

Minority and majority are the unity of opposites. The fact that the minority should be subordinated to the majority reflects the power of the majority to deal with the minority. However, this is only a fundamental aspect of democracy, which shows the minority the way to treat (to subordinate themselves to) the majority. How should the majority correctly treat the minority? This is another aspect of the power of the majority to deal with the minority. A problem of democracy is also involved here. Specifically, the majority should protect the minority. Such protection mainly concerns the following two points: 1) When people are considering and discussing certain work or certain questions, the majority should conscientiously heed and take into account the views of the minority, including those divergent views which they may find unpleasant to hear, and do their best to accept the rational parts of these views. They should not flare up in anger and flatly refuse, or stifle them. 2) After a resolution has been officially made on the work and problems concerned on the basis of full discussion and in accordance with the principle of the minority being subordinated to the majority, the majority should protect the minority which still retains its views. [paragraph continues]

They should not discriminate against, attack, or persecute them. Of course, once the resolution is adopted, it will become a code of action which everyone should observe. In particular, when the resolution concerns work or problems involving law, policy, or plans, the minority should resolutely implement it. They are not allowed to persist in their own ways, or overtly agree but covertly oppose it under the pretext of upholding their views. This is a problem of discipline, which is completely different from the matter of protecting the minority.

In the course of exploring objective laws, it is natural that people hold divergent views because of their different understanding of the situation, the different angles they take in thinking, different methods they employ, and different experience and accomplishment they have. Thus, there is a problem of how the minority and majority should correctly treat each other. This is, in essence, a problem of democracy. It is appropriate to say that without the principle of the minority being subordinated to the majority, it is impossible to have even rudimentary democracy. Without the principle of protecting the minority, a democracy cannot be regarded as a complete one. Only by combining these two principles can a democracy be regarded as genuine.

By subordinating the minority to the majority, and protecting the minority, our socialist democracy will be fully reflected. In such a way, a vivid political situation in which people have ease of mind will be formed in a more effective way.

GUANGMING RIBAO EXAMINES LABOR POWER, COMMODITY

HK171419 Beijing GUANGMING RIBAO in Chinese 4 Oct 86 p 3

[Article by Dong Fureng (5516 6534 4356): "A Brief Discourse on the Labor System and Whether Labor Power Is Commodity"]

[Text] An outline of the content: In the socialist economy, whether labor power is a commodity depends on the nature of the labor system. Under the labor system characterized by the unified management and distribution, although labor power does not produce or reproduce for the consumption of workers and staff themselves, it does not lean towards social consumption of workers and staff themselves, it does not lean toward social consumption through exchange, either. Therefore, there is not a relationship of commodity exchange of labor power. However, under the conditions of the labor contract system, the labor power of workers and staff leans towards social consumption through exchange and the labor relationship between both sides is secured by a pattern of agreement. This is a typical relationship of commodity exchange. Nevertheless, we just can not relate the labor-power commodity to the capitalist relationship between the exploiters and the exploited.

In the socialist economy, whether labor power is a commodity is related to te relevant labor system.

To become a commodity, there must be, of course, a carrier for the commodity. This carrier can be either material and spiritual products or labor service and something else. However, to become a commodity, the products or labor services must possess two conditions: First, they can become commodities only when they "do not consume for themselves but for others of the society." Second, they "tend towards social consumption through exchange." ("Selected Works of Marx and Engels" Vol 3, p 345) This kind of exchange is made in proportion to the necessary social labor and according to a certain price. Meanwhile, in the exchange, "the owners of the two commodities must be willing to exchange their commodities." [paragraph continues]

("Complete Works of Marx and Engels" Vol 16, p 277) This means that "Only through the consistent will and behavior of both sides can each side exchange their commodities and possess the commodities of others." ("Complete Works of Marx and Engels" Vol 23, p 102) Whether labor power is a commodity depends on whether the labor power is involved in economic relations characterized by this willingness. In the socialist economy, whether labor power is a commodity also depends on the nature of the economic relations as well as the nature of the relevant labor system. As far as the present situation is concerned, some labor is not a commodity. For example, the labor of the peasants who till their contracted lands, the labor of the workers and staff of the state-run enterprises whose management and distribution are monopolized by the state, and so on. However, some labor is a commodity, such as the labor of the contract workers of the state-run or collective enterprises, the labor of the individual laborers who sell their products or labor services, and so on. Therefore, if we do not concretely analyze the economic relations of labor, it is impossible for us to correctly answer the question whether labor power is a commodity.

In the socialist economy, the labor of the staff and workers of the state-run enterprises can be commodities or can not be commodities, depending on economic relations or, more accurately, the nature of the labor system.

The labor of the staff and workers of the state-run enterprises whose management and distribution are monopolized by the state is not a commodity. Therefore, under the labor system characterized by unified management and distribution, although labor powers do not produce or reproduce for the consumption of the workers and staff themselves, they do not tend towards the social consumption through exchange either, but are monopolized by the state in management and distribution. Under this kind of labor system, the state-run enterprises do not have the right to choose staff and workers and the staff and workers do not have the right to choose occupations and enterprises. Besides, the wages of staff and workers are uniformly fixed by the state and both the enterprises and the staff and workers can not hold negotiations over the wage issues.

Therefore, the economic relationship between the state-run enterprises and the staff and workers in the aspect of labor power is not a relationship of commodity exchange. Since it is not a relationship of will between the commodity owners, both sides cannot act according to their own will, or according to their common and consistent will to transfer and use the labor. So, the relationship of commodity exchange of labor power does not exist, nor we can say that labor is exchange as commodities.

This system of uniformly managing and distributing laborers is being reformed. Under the condition of the contract labor system (this term is more accurate than the term of the labor contract system), labor is a commodity. This is because under this system the labor of staff and workers tends toward social consumption through exchange. The state-run enterprises should choose the staff and workers who can provide the needed labor, the staff and laborer should choose the state-run enterprises to which they are willing to provide their labor, and both sides should also reach an agreement on the remuneration for the transfer and use of labor as well as other conditions. As this kind of economic relationship which is reflected in a relationship of will is secured by "a pattern of agreement," the exchange cannot be conducted in the absence of the consent of one party. This is a very typical relationship of commodity exchange. Increasingly expanding its scope of implementation, the contract labor system will gradually replace the labor system characterized by the state monopoly of management and distribution in the future. Thus, the scope for the exchange of the labor of the staff and workers of the state-run enterprises as commodities will also gradually expand.

Possibly because of the criticism of "the system of hired labor" of capitalism, whenever labor power as a commodity is mentioned, people tend to relate it to the capitalist relationship between the exploiters and the exploited. People would ask: If the contract labor system is practiced, as a kind of commodity, the labor of staff and workers would be exchanged with the enterprises' money which also functions as a commodity (under the system of money wages). Would this mean the restoration of the hired labor system once again?

To get a clear understanding of this issue, it is necessary to do some study of "the system of hired labor."

Originally, the term, "the system of hired labor," was a Chinese translation of a German word used by Marx, meaning wage labor or the system of wage labor. "Hired Labor and Capital" by Marx was first translated as "Wage Labor and Capital." This is a correct translation. In "Capital" translated by Guo Dali and Wang Yanan, this term was translated as "the hired wage labor." (1562 6327 7163 0096 0525 0520 gong zi gu yong lao dong) (see "Capital," Vol 1, Chapter 4, Note 41) Nevertheless, in the Soviet Union, this term was translated into Russian as "hired labor." (7163 0096 0525 0520 gu yong lao dong) While translating "Capital," our country's translation bureau also put it as "hired labor." The English and Japanese versions of "Capital" all translated it as "wage labor." Therefore, the original meaning of "hired labor" is "wage labor." The so-called wage labor is a kind of economic relationship in which laborers transfer their labor as a commodity and obtain wages. In the transference of labor, the price, or the wage, changes along with the changes of supply and demand in the labor market. The two parties involved in the labor transaction all have independent wills; and the labor transaction will not take place unless both parties have the same will, namely, one party is willing to sell and the other party is willing to buy. During the sale period, both parties involved form a relationship of agreement in law. Therefore, in terms of the relationship of legal rights, the system of wage labor is the system of contract labor; and its economic relations belong to the system of wage labor. In different economic relations, just as commodities reflect the different economic relations, wages also reflect the different economic relations. Similarly, in the different economic relations, wage labor or the system of wage labor also reflects the different economic relations. In the capitalist production relations, the system of wage labor reflects the relationship between the exploiting class of capitalist and the exploited class of workers. However, in the socialist economy, the system of wage labor reflects the relationship of equality and mutual benefit. The fundamental differnce lies in whom the surplus products belong to and to whose interests they serve. Since people do not object to or find unacceptable such economic categories as wages in the socialist public economy, why can't they accept the category of the wage system which is an extension of wages and the category of labor commodity (wages are only the price of this kind of commodity)?

Maybe people would say that as far as the state-run enterprises are concerned, the means of production belong to all the people. How could the workers and staff of the state-run enterprises sell their labor as a commodity to themselves? Doesn't it mean to turn staff workers into hired laborers? In fact, it is not difficult to make this point clear. That the means of production of the state-run enterprises belong to the whole people refers to the fact that the people occupy the means of production as a whole entity. This does not mean that each worker or staff can personally occupy these means of production. Under the labor system of unified management and distribution, without state distribution no workers or staff can integrate themselves with the means of production under the system of ownership by the whole people in any enterprises.

Nevertheless, under the system of wage labor (the system of contract labor), workers and staff can integrate themselves with the whole people-owned means of production only through the exchange of labor and money (under the system of money wages). Since the exchange is not made among the workers and staff themselves but between the workers and staff and the people as a whole, it does not constitute a case that the workers and staff sell their labor to themselves. Therefore it is not difficult to explain the argument that workers and staff would become hired laborers. As it is mentioned above, a hired laborer is only another name for a wage laborer. Just as there is a difference between the capitalist wage and the socialist wage, a wage laborer in the capitalist economy and the wage laborer in the socialist economy is also different. If people do not like to hear the term of hired laborer, we may not use it. Probably, they do not dislike the term wage laborer.

In fact, under the system of contract labor (or the system of wage labor), not only workers and staff would not lose their status as the masters of the means of production but also would, on the contrary, gain the decision-making power over labor power. As owners of their own labor, they have the right to choose occupations and enterprises, negotiate with enterprises over issues of wage and various welfare benefits, and avoid the relationship of appendage which might possibly exist between the workers and staff and the leaders of enterprises under the labor system of unified management and distribution. Possessing an independent legal status, they can establish relations with the enterprises functioning as corporate bodies; and the contracts they sign with the enterprises for the exchange of labor can also be protected by law. Of course, as far as enterprises are concerned, they also gain the decision-making power for choosing laborers, and so on. As for why the labor powers in the socialist economy should become commodities and exchanged as commodities and why the system of wage labor (or the system of contract labor) should be implemented, these are issues of a higher level and should be discussed on another occasion. We will not discuss them now.

MORE EFFORTS NEEDED TO PERFECT ENTERPRISE REFORM

OW251410 Beijing XINHUA in English 1157 GMT 25 Oct 86

[Text] Beijing, October 25 (XINHUA) -- China's enterprises have been given more decision-making power in recent years, but in some cases, the policies have been poorly implemented.

According to a recent survey by the State Economic Commission in which six inspection teams were sent to 10 provinces, in only 20 percent of those enterprises practising the reform have the policies been fully implemented.

According to the commission officials, the main problems troubling the enterprises are as follows:

-- The new policy allows factory directors to appoint deputy directors, but often higher authorities have elbowed their way in showing favoritism in filling the positions, without consulting the directors.

-- The enterprises have also often experienced interference when hiring workers based solely on their qualifications.

-- Enterprises have not had full responsibility in setting up factory structures as specified in the new policy, resulting in unnecessary and over-staffed departments.

-- They also have not been granted free use of funds and many forced payments have cut into their profits.

The officials attributed the cause for these problems as imperfections in the reform policy and the influence of old practices.

"Many leading offices have been impotent in attacking old practices," one official said, "and some local leaders in charge do not clearly understand the decisions and regulations set down by the central government."

"On the other hand, some factory directors are too timid in using their power," he added.

The result of the survey has demonstrated the contradiction involved in combining the old and new economic systems. More efforts must be taken to fully implement the new policy, the officials said.

MINISTER SUPPORTS UPGRADING OF ENTERPRISES

OW270303 Beijing XINHUA Domestic Service in Chinese 0805 GMT 25 Oct 86

[By reporter Ge Daxing]

[Text] Beijing, 25 Oct (XINHUA) -- Lu Dong, minister in charge of the State Economic Commission, unequivocally pointed out today: To improve the quality of enterprises step by step according to the demands for enterprise "upgrade" is a central task in improving the management of our enterprises at present.

The concept of enterprise "upgrade" was put forward by the State Council in July this year in its "decision on certain questions concerning improvement of the management of industrial enterprises." At that time, major criteria were established for the special-class, and second-class state enterprises and the advanced provincial-level enterprises with regard to their basic targets of improving that quality of products, lowering material consumption, and bringing about better economic results. Industrial enterprises in China have been urged to strive to upgrade themselves according to these criteria. At a routine meeting of the State Council departments on improving enterprise management today, Lu Dong made the following announcement: A national planning body for improving enterprise management, which is in charge of overall organization and coordination of the work in this regard, and its working body have been set up. Yuan Baohua, vice minister in charge of the State Economic Commission and head of the former National Enterprise Consolidation Planning Body, serves as head of the new planning body.

It is reported that leading organs for upgrade of enterprise management have recently been established in some localities and departments. They will begin by investigating and analyzing the current situation of enterprises and then formulate plans and procedures for enterprise upgrade.

However, a small number of localities are still taking a wait-and-see attitude.

Lu Dong pointed out: For the purpose of developing a socialist commodity economy and enhancing the competitive power of enterprises in market, an objective demand is for enterprises to upgrade themselves and their products. During the Seventh 5-Year Plan, we must regard this as our central task in order to promote other work, such as implementation of the system of the plant director assuming responsibility for fulfilling planned targets, quality control, technical progress, and building a spiritual civilization. In other words, we should make enterprise upgrade our objective, and use the methods of systems engineeering to coordinate work and comprehensively improve the quality of enterprises.

ENTERPRISES WITH FOREIGN INVESTMENT REACH 7,000

OW241228 Beijing XINHUA in English 1223 GMT 24 Oct 86

[Text] Beijing, October 24 (XINHUA) -- The number of enterprises in China partly or wholly owned by foreign investors has reached more than 7,000 an official of the Ministry of Foreign Economic Relations and Trade said today.

Between the beginning of July and the end of September, nearly 300 new enterprises with foreign investment began operating, he said.

According to the official, most of the enterprises with foreign investment use foreign technology and have been "increasing their productivity and efficiency with better management."

According to the Foreign Experts Bureau of the State Council, more than 7,000 business executives, technicians, engineers and other specialists from the Federal Republic of Germany, France, Great Britain, Japan, the United States, Hong Kong and Macao have been working in these enterprises.

COURTS HANDLE 42,000 'LEGAL SUPERVISORY' CASES

OW241120 Beijing XINHUA in English 1100 GMT 24 Oct 86

[Text] Beijing, October 24 (XINHUA) -- Records show the Chinese people's procuratorates at various levels handled more than 42,000 legal supervisory cases last year and during the first half of this year.

The cases involved dereliction of duty, serious accidents, and others.

"Offenders in 1,670 serious cases have been punished," said Zhang Siqing, deputy procurator-general of the Supreme People's Procuratorate, at a national conference today.

According to Zhang, "more than 70 percent of the cases handled were not prosecuted because the cases were minor ones."

Legally termed as administrative cases or legal supervisory cases in China, cases like dereliction of duty were committed mainly by government officials and employees.

"As an important part of helping fully implement enacted laws and enforce administrative management, the handling of such cases has played an increasingly great role in maintaining the prestige of the law, improving administrative and economic management and ensuring the smooth advance of the country's economic construction as a whole," Zhang said.

Serious offenders he cited included Pan Fengcai, charged with dereliction of duty which caused a loss of 280,000 yuan (78,000 U.S. dollars). As director of a Beijing cold storage plant, he was responsible for the 280 tons of rotten vegetables.

In another case in a coal mine in Shanxi Province, leaders responsible for the destruction by fire of a complete set of imported coal excavating equipment were punished. Direct loss from the fire amounted to 2.67 million U.S. dollars.

"Attorneys at 98 percent of the country's more than 3,000 procuratorates have begun to handle these type of cases," the deputy procurator-general said.

STATE HANDLES OVER 2 MILLION ECONOMIC VIOLATIONS

OW240022 Beijing XINHUA Domestic Service in Chinese 0841 GMT 22 Oct 86

[Text] Zhengzhou, 22 Oct (XINHUA) -- For more than 2 years, the Industry and Commerce Administration Department has investigated and handled 2.09 million cases of speculation and law or regulation violation, according to incomplete statistics available at the National Meeting on Economic Inspection Work of the Industry and Commerce Department held recently at Pingdingshan City, Henan. Handling these cases resulted in 650 million yuan in fines and confiscations handed in to the state, and in thwarting more than 20 million possible violation cases, thereby helping maintain the socialist economic order. The investigated cases included: Illegal activities in violation of state regulations on imported commodity control; selling major means of production and durable consumer goods at higher prices imediately after their purchase at state prices; manufacture and marketing of counterfeit commodities; and smuggling.

COMPUTERIZED SIMULATED WARFARE SYSTEM DEVELOPED

OW270247 Beijing XINHUA Domestic Service in Chinese 0121 GMT 23 Oct 86

[By reporter Xu Jingyao]

[Text] Beijing, 23 Oct (XINHUA) -- Without involving a single man, aircraft, or tank, commanders of the red and the blue armies seated in front of electronic computers are directing a composite war game involving different armed services of a group army under nuclear circumstances.

The Academy of Military Science has successfully developed China's first computerized simulated warfare system which constitutes a major breakthrough in the means for military exercises of the Chinese Army. In general, actual troops and ammunition will not be needed for conducting large-scale military exercises in the future.

Together with some group army commanders, this reporter recently watched this war-game-without-the-smoke-of-gunpowder. Each commander of the confronting red and blue armies is seated in front of a computer console with two screens, one displaying numbers and the other displaying graphics, indicating troop deployment, battleground topography, troop movement, and attrition of troops and armaments. When the game started, the "commander," based on the information presented on the screen, gave orders to the computerized system which "understands the Chinese language," employed a wide range of tactics, directed offensive and defensive operations, and promptly tranferred special troops, parachute units, and airborne troops to "join in the battle." Finally the computer conducted a quantitative analysis and precisely displayed the results of how the two armies fared in the game.

Sun Bolin, military operation expert at the Academy of Military Science, told this reporter that future warfare will be a trial of strength in science and intelligence. This system incorporates modern military affairs with advanced science and technology and meets the needs of defense modernization. Future battles will be very destructive. It has become more difficult to organize military exercises similar to real battles. The computerized simulated warfare system serves as a modern "laboratory for military operations" for it can simulate complicated factors close to real battle situations, redisplay battle environments and conditions, repeat drill items, and achieve prominent laboratory results with very little cost.

MECHANIZED GROUP ARMIES HOLD EXERCISES

HK270307 Hong Kong HSIN WAN PAO in Chinese 26 Oct 86 p 4

["Special Dispatch" from Beijing by HSIN WAN PAO special correspondent Shen Yang (3088 2254): "China's Mechanized Group Armies Recently Hold Large-Scale Military Exercises in Northern China"]

[Text] Beijing, 26 Oct -- Reliable military sources here disclosed that the Chinese recently held large-scale military exercises of mechanized group armies in a certain place in North China. This is the first large-scale review of the PLA since the adoption of the group army organizational system announced earlier this year.

The arms of the services participating in the above military exercises included: bomber units and attack plane units of the Air Force, tanks, armored cars, self-propeled guns, rocket mine laying vehicles [huo jian bu lei che 3499 4628 1580 7191 6508], armored bridge layers [tan ke jia qiao che 0982 0344 2665 2890 6508], armored ambulances, engineering service vehicles, and so on. Meanwhile, the group armies' automatic command center made use of advanced means, such as minicomputers, remote control, and large-sized projection screens, to manipulate the military exercises. Both the high standard of modern warfare and superior quality of weapons and equipment demonstrated in the whole course of the military exercises made a deep impression on the spectators and fully displayed the apparent trend and prospects of the modernization of the Chinese Army.

Military specialists here believe that the adoption of the new group army organizational system and the introduction of modern weapons and equipment are turning the Chinese Army into a more powerful deterrent force.

MILITARY RESEARCH FOCUSES ON FUTURE WARFARE

OW251139 Beijing XINHUA Domestic Service in Chinese 0154 GMT 24 Oct 86

[By reporter Xu Jingyao]

[Text] Beijing, 24 Oct (XINHUA) -- Reform and open policies are filling the sails of China's military science research like a gust of refreshing breeze. This can be seen by the growth of a modern military science research system, which will serve as the precursor of the modernization of China's national defense.

China's military science research is heading toward top-level strategic research. Greater attention has been directed toward research into modern and future warfare than toward historical facts. Currently, special attention has been attached to studying China's defense strategy for the year 2000, and results have been achieved in some areas. Under the Central Military Commission's guidance, the Academy of Military Sciences, which is the center of scientific research of the Chinese armed forces, which has been studying what the PLA should accomplish in the year 2000, as well as ways and means for attaining the targets. Such topics as guiding principle for national defense, the leadership structure of defense, the construction of standing armed forces, and defense legislation are being studied. The Commission of Science, Technology, and Industry for National Defense, as well as various PLA headquarters, have also been studying projects to be implemented in the year 2000, such as defense budgets; building up of reserve forces; production of scientific, technological, and military hardware; construction of defense facilities; and so forth.

While more and more research departments have been set up, new fields of military research have constantly been explored, thus significantly breaking through the conventional research scope. Incomplete statistics show that China's military science departments are now engaged in more than 70 branches of research, and most of them are new branches, such as military operations research, military systems engineering, military sociology, military psychology, defense economics, analysis of military information, military control, military management, future military operations, etc. Research results accomplished in these branches have already been applied in various fields of military operations.

Open door research has become a new way of conducting military research. Today, military research organs have opened their doors to the troops, thus strengthening the lateral ties in the military, and they have also opened to society. As the national continues to open its door to the outside world, China's military research has also outstripped the national bounds and become increasingly internationalized. Academic exchanges between Chinese and foreign armed forces have increased, and research is world-oriented. Follow-up research has also been conducted on certain representative regional wars.

Certain modern ways and means for scientific research have been extensively applied to military research. Consequently, research has become increasingly quantitative, information processing has been automated, simulators are used in experiments, and decision-making has become increasingly scientific.

JIEFANGJUN BAO MARKS RED ARMY'S LONG MARCH

OW240021 Beijing XINHUA Domestic Service in Chinese 0802 GMT 22 Oct 86

[Excerpts] Beijing, 22 Oct (XINHUA) -- RENMIN RIBAO and JIEFANGJUN BAO each carry an editorial today commemorating the 50th anniversary of the Red Army's Long March. [passage omitted]

Entitled "Long Live the Spirit of Long March," the JIEFANGJUN BAO editorial says that the spirit displayed by the Red Army's officers and men who unswervingly and bravely advanced toward their political goal in the difficult 25,000-li expedition, their spirit of seeking truth from facts and proceeding from realities in everything they did, the spirit of teamwork and keeping the overall interests in mind, and the heroic, dauntless, and sacrificial spirit of defying death and hardships, should go down in history as models for future generations to learn from. Under the new historical conditions, it is especially necessary for us to carry forward and display our heroic predecessors' firm conviction and their loyalty to their ideals.

The editorial says: The victory of the Long March was a victory of the revolutionary spirit inspired by proletarian ideals and convictions. If a contingent upholds scientific political ideals and the conviction that revolution will triumph, it will acquire infinite power and special invincible traits.

The editorial says: To commemorate the Red Army's Long March and the tens of thousands of our predecessors who hacked their way through difficulties for the sake of the Chinese revolution, the best way is to perform services for our great era and our great Army in the course of developing socialist material and spiritual civilization.

HONG XUEZHI GIVES ACCOUNT OF MILITARY CAREER

OW270110 Hefei ANHUI RIBAO in Chinese 11 Oct 86 p 4

[Text] On the eve of National Day we made a special trip to Beijing to interview General Hong Xuezhi, member of the Central Advisory Commission, deputy secretary general of the Central Military Commission, and director of the General Logistics Department of the PLA.

General Hong Xuezhi is a veteran Red Army soldier of Anhui origin and is a veteran of the revolution highly respected by the people of Anhui. He joined the Worker's and Peasant's Red Army in 1929. During the Long March he served as director of the Political Department of the 4th Army of the Red Army; during the War To Resist U.S. Aggression and Aid Korea, he was deputy commander of the Chinese People's Volunteers. He was promoted to general in 1955. In the past 50 years or so, General Hong Xuezhi has recorded many illustrious military expolits for the party and people by fighting in many parts of the country and carrying out his pressing military duties well.

We arrived by car at the headquarters of the PLA General Logistics Department in the western outskirts of Beijing on the afternoon of 25 September. "You must be tired after travelling such a long distance," said General Hong while greeting us at the entrance to his office. [paragraph continues]

Although he is 73, the battle-tested old general looks as strong and energetic as he did in the old days.

When he learned that the ANHUI RIBAO and Anhui People's Broadcasting Station planned to sponsor a special reportage in commemoration of the 50th anniversary of the victory of the Red Army's Long March, he said cheerfully: "This is very good. In this way people will understand the significance of the Red Army's Long March and will carry forward its spirit. In the past few days I have been attending the preparatory meeting for the 6th Plenary Session of the 12th CPC Central Committee, where we mainly discussed the question of strengthening the building of a socialist spiritual civilization. Publicizing the Long March and carrying forward its spirit constitute one aspect of building a socialist spiritual civilization and conform with the guidelines of the plenary session."

Although he has been away from his native town for scores of years, General Hong's native accent has not changed. With a native accent he recounted to us his experiences in participating in the revolution and the Long March more than 50 years ago. "At that time, the warlords were fighting one another; there were corrupted officials; and local tyrants and evil gentry bullied the people and savagedly oppressed them. The people were in dire poverty. When I was young I had only 2 years of schooling. After my father died, I gave up schooling to learn how to make umbrellas. Later I also grazed cattle for a landlord. The greater the oppression, the stronger the resistance. Led by the party, a large-scale peasant movement emerged in the Hubei-Henan-Anhui border areas. Many peasants rose to struggle against local tyrants and evil gentry by dividing up their money and grain. In the heated struggle in 1929, I, at 16, participated in the Shangnan Uprising led by the party. Henceforth, I, a child cowherder, followed the party in taking a revolutionary course of fighting for the liberation of the Chinese people."

Here, he seemed to be lost in thought for a while, an then he continued: "I left Jinzhai in 1932 and later followed the 4th Front Army of the Red Army in making the Long March. Because of Zhang Guotao's separatist activities, the 4th Front Army, during the Long March, was forced to march through grasslands and repeatedly scale snow-capped mountains. This, plus frequent fighting, a shortage of clothing and food, and other difficulties encountered on the way cost the valuable lives of many fine Red Army fighters. Despite the harsh circumstances, the 4th front Army foiled the Kuomintang's encirclements and pursuits with a large number of troops, marching through grasslands, scaling mountains, and realizing the great strategic shift by joining forces with 1st and 2d Front Armies in northern Shaanxi Province, thanks to the establishment of Chairman Mao's correct leadership at the Zunyi Meeting and to the lofty ideals of our Red Army fighters who, confident of victory, feared neither hardships nor death and who were united as one and fought very hard."

In excitement, General Hong, flinging his arms, rose to his feet and said: "The Long March ended with our victory and the enemy's defeat. The victory laid the foundations for opening up a new situation in the Chinese Revolution and gave a strong impetus to the historical course of the Chinese national liberation movement. The dauntless spirit and revolutionary heroism displayed by the Red Army during the Long March has become a monument to mankind's perservance. In the past, we relied on the hardworking revolutionary spirit and indomitable will in winning the victory of the Long March. Likewise today, in our new long march toward modernization, we need to carry forward the spirit of the Long March and struggle in unity to blaze the new path and solve all kinds of problems we encounter."

With the tenacious will and dedication of a Long March fighter, General Hong Xuezhi has continued to perform meritorious service for the Army's modernization during the new Long March. [paragraph continues]

According to a responsible comrade of the office of the General Logistics Department, since he took charge of the work of the department in 1980, General Hong has put his heart and soul into the work, and spent one-third of his time working at the grass roots every year. He sent a large number of fact-finding teams to selected sports and, based on their investigation reports, made relentless efforts at improving coastal defense work and construction or rear bases, reforming Army hospitals and logistics military academies, and solving practical problems for army commanders and fighters. In coordination with the party rectification work, the General Logistics Department launched a general inspection of financial and economic discipline this year. On holidays, he seldom took off, but often visited army farms nearby to have heart-to-heart talks with commanders and fighters to familiarize himself with and solve their problems, thus winning their profound admiration. The responsible comrade's account of General Hong has further deepened our respect for him.

Asked by the reporters about his trip back to his hometown last spring, General Hong said with feeling: I missed my kinsmen in my hometown so much as it had been over 3 decades since my previous trip in 1954. During my last trip, I attended a luncheon and forum given by the district party committee. From what I heard and saw I have realized that the livelihood of the people in the mountianous areas has improved remarkably since the 3d Plenary Session of the 11th CPC Central Committee. More people are raising silkworms, the county has set up a silk mill, and there has been a big growth in cash crops. However, the people of Jinzhai are not well off yet; the per capita income is relatively low; and there are quite a few especially impoverished households. I understand that there are potentials in mountainous areas that can be exploited, such as sericulture, apiculture, and growing tung trees. So long as the policy is correct, the hometown's appearance will change.

Concerning himself with the construction and people's livihood of the old revolutionary bases, General Hong has tried his utmost to help solve problems in his hometown. In recent years, the General Logistics Department has sent over 20 medical teams to the old revolutionary bases in Anhui, including 7 to Jianzhai County. Seeing members of the medical teams travel across mountains to visit one village after another and provide medical treatment to the people of the old revolutionary bases, the villagers exclaimed: "The Red Army of yesteryear has returned!"

"What do you expect of the people in your hometown?" The reporters asked. General Hong said with smile: "I hope that the people of Anhui will carry forward the spirit of the Long March in achieving greater progress in all fields, and that Anhui will be built into a more prosperous province so that the people can become better off."

At the end of the interview when we left the General Logistics Department, the evening lights on Changan Street were lit, and Tiananmen Square was filled with a festive mood. What a magnificent evening it was in Beijing on eve of the National Day. Didn't countless Red Army soldiers and revolutionary martyrs shed their blood for our happiness today and a better future?

BEIJING EXHIBITION FEATURES MODERN AIRCRAFT

OW251312 Beijing XINHUA in English 1259 GMT 25 Oct 86

[Text] Beijing, October 25 (XINHUA) -- High-altitude supersonic jet fighters and air-to-air missiles belonging to the Chinese Air Force were shown to the public here today for the first time, along with other planes dating from the Second World War and the War To Resist U.S. Aggression and Aid Korea (1950-53).

There are more than 30 aircraft on display at the Beijing Aircraft Exhibition which is being run by the Chinese Society of Aeronautics and Astronautics.

Also on show are Chinese-made fighters, bombers, attack planes, trainer aircraft and a pilotless reconnaissance plane, as well as passenger planes.

China's first satellite is also on view, as are models of the U.S. space shuttle Challenger and China's latest F-8 fighter.

You Jiang, vice-president of the Chinese Society of Aeronautics and Astronautics, said, "the opening of the exhibition to the public is a big event in China's modern aircraft history. Both Chinese and foreign guests are welcome to visit our exhibition."

AIRCRAFT INDUSTRY PRODUCES VARIETY OF MODELS

OW251258 Beijing XINHUA in English 1101 GMT 25 Oct 86

[Text] Beijing, October 25 (XINHUA) -- China can now claim to be one of the countries with the most developed aircraft industries in the world for building 12,800 military and civilian aircraft in the past 35 years, a Chinese official said here today.

He said these aircraft include the latest model of F-8 high-altitude and high-speed fighter planes, supersonic attack planes, supersonic medium-range jet bombers and pilotless reconnaissance planes.

In the civlian sector, he said, China's aircraft makers have manufactured Y-7 medium- and short-range passenger planes, Y-8 medium-range transporters and Y-12 multi-purpose aircraft.

You Jiang, vice-president of the Chinese Society of Aeronautics and Astronautics and former vice-minister of the aviation industry, said, "China has established a complete research and production system for developing and manufacturing aircraft."

He said at a meeting to mark the 35th anniversary of the founding of China's aircraft industry that the industry has also turned out 49,000 engines of different types while manufacturing military and civilian aircraft.

The aircraft industry has shited its focus from military to civilan airliners in the past two years, providing products to the Civil Aviation Administration of China (CAAC, the Chinese national flag carrier), and other departmentes in a bid to aid economic development.

According to the ministry, the Chinese aircraft makers have exported 359 planes and 619 engines to 11 countries, and parts have been exported to more than 50 countries and regions.

Although China has made much progress in the aircraft industry, the offical said, there still remains a big gap between China and the developed countries in the fields of research and production.

He said the ministry is now summing up its experience, pushing forward reform and importing advanced technology so as to speed up the development of China's aircraft industry.

The Chinese aircraft industry has entered a stage of rapid development and will manufacture more than 200 aircraft, including Y-7 medium-range passenger planes, for CAAC and regional airlines.

At the same time, it will also develop a new generation of fighter planes.

BO YIBO, ZHANG AIPING ATTEND PHILATELY CONGRESS

OW190015 Beijing XINHUA Domestic Service in Chinese 0002 GMT 18 Oct 86

[By reporter Gu Honghong]

[Excerpts] Beijing, 18 Oct (XINHUA) -- Philately, a hobby which can broaden people's knowledge and mould their temperament, has become very popular in our country.

According to the second congress of the All-China Philatelic Federation held in Beijing on 17 October, more than half of China's cities and one-fifth of its counties have set up philatelic associations with memberships totaling 250,000. The country has at least 5 million stamp collectors, of which about 70 percent are juveniles and children. [passage omitted]

Bo Yibo, Zhu Xuefan, and Zhang Aiping as well as more than 300 delegates attended the congress yesterday. [passage omitted]

HONG KONG

DENG XIAOPING 'ENDORSES' ALL DECISIONS ON 1997

HK270641 Hong Kong SOUTH CHINA MORNING POST in English 27 Oct 86 p 15

[Text] It is a complicated task to spell out clearly China's decision-making process regarding its Hong Kong policies.

Although Mr Deng Xiaoping -- the most influential figure in the Communist Party -- does not hold any vital posts directly related to Hong Kong affairs, all decisions having an important bearing on Hong Kong are understood to be endorsed by him.

The State Council, or what used to be called the Central People's Government in the Joint Declaration, is the highest body to deal with Hong Kong affairs.

Under this umbrella, the Foreign Affairs Ministry and the two Hong Kong and Macao Affairs offices take up some of the responsibility to formulate policies.

These Hong Kong-related units were actively involved in negotiations with the British Government on Hong Kong's future.

But in some cases, high level talks with the British Government involved Mr Deng, Premier Mr Zhao Ziyang and Foreign Minister Mr Wu Xueqian.

Regarding the Basic Law, the formal body to deal with its drafting is the 59-strong Basic Law Drafting Committee set up under the National People's Congress.

According to set procedures, the Basic Law drafts would have to be endorsed by the NPC, which is equivalent to a parliament.

But the 36 Chinese members on the drafting committee already include those from all major Government departments which are involved in the formulation of Hong Kong policies.

These important drafters included the director of the Hong Kong and Macao Affairs Office under the State Council, Mr Ji Pengfei; Mr Ji's two deputies at the Office, Mr Li Hou and Mr Lu Ping; the director of another Hong Kong and Macao Affairs Office under the Foreign Affairs Office, Mr Ke Zaishuo who is also China's chief representative on the Sino-British Joint Liaison Group; a Vice-minister of the Foreign Affairs Ministry, Mr Zhou Nan; and China's chief representative in Hong Kong, Mr Xu Jiatun.

When the senior Chinese officials help draft the Basic Law, they will have the following advantages: strong backup from their departments collecting Hong Kong information, understanding on the whole proces of negotiations with the British Government on Hong Kong's future, and access to confidential information on diplomatic matters.

Although all senior officials are based in Beijing, China has enough channels to collect information on Hong Kong. Usually, this can be achieved through:

-- Hong Kong affairs offices in the State Council.

-- Local branch of NCNA which has three sub-branches in Hong Kong Island, Kowloon and the New Territories.

-- Research and academics studies conducted in China by Social Science Academy, universities, and other units.

-- Discussions with Hong Kong community leaders visiting China.

-- Chinese officials' visits, especially mainland drafters, in Hong Kong.

-- Pro-Beijing people and Hong Kong delegates to the Chinese People's Political Consultative Conference and the National People's Congress.

PRC WILL 'NOT OPPOSE' DIRECT ELECTIONS

HK270623 Hong Kong SOUTH CHINA MORNING POST in English 27 Oct 86 p 15

[Text] China seems to be anxious to exercise a certain degree of control over Hong Kong's political system after 1997.

Since the post-1997 political system has been debated, China has adopted a "non-committal" attitude towards various suggestions, leaving the job to the 58 drafters, 35 of whom are mainlanders.

To date, the Sino-British Joint Declaration is China's "bible" for reference on Hong Kong's future although, as time goes by, it has been found to be a vague document which needs clearer interpretation.

And the Basic Law will become a more comprehensive "bible" which lays down Hong Kong's post-1997 system in detail.

Tracing China's views on Hong Kong's future system in like putting pieces together in a jigsaw puzzle.

These "pieces" can be found in Chinese officials' speeches delivered directly to journalists, officials' messages indirectly made known to the press through community leaders and the Basic Law Consultative Committee, related articles published in the pro-Beijing newspapers and magazines, and speeches and comments of pro-Beijing figures.

Undoubtedly, the future political structure would be the most thorny and difficult issue for China and the drafting committee to tackle.

Almost all subjects other than political system and Beijing Hong Kong relationship, such as the economic system, social system, lifestyles, inhabitants' rights and duties, have become non-issues. Actual drafting of these less controversial parts in clauses could start very soon.

According to the Joint Declaration, the SAR's [Special Administration Regions] defence and foreign affairs will be dealt with by the Central People's Government.

Beijing understands the importance of the political setup which determines how the politicies are to be implemented. And Beijing's formal ties with the territory are to be maintained solely through the SAR Government.

As a pro-Beijing figure puts it, the people of Hong Kong should bear in mind that Sino-Hong Kong relationship after 1997 will be one Between a central government and a district government. China is therefore unlikely to make any concessions on issues touching on its sovereignty.

These include: possession of power on SAR defence and foreign affairs and the interpretation of the Basic Law, and the superiority of the Chinese constitution to the mini-constitution.

The most important issues surrounding the design of the future political system now are apparently: the introduction of direct elections and, if any, its proportion; the selection of the chief executive and the relationship between the legislature and the executive, and how the executive is to be "accountable" to the legislature.

Direct Elections: China has never made clear its official view on this crucial subject and prefers leaving it to the drafting committee to decide. In terms of the size of members, this committee is dominated by mainlanders at the ratio of 35:23 (one of the 36 mainlanders, Mr Guo Dihuo, died earlier this year).

From various sources, it is becoming clearer that China would not and has no reason to object to the introduction of direct elections in Hong Kong as it is also introduced into China. The bone of contention is how many percent of the legislature should be directly elected.

It is quite likely that China will allow a mixed system, with both direct elections and functional constituency elections in the legislature which, according to the Joint Declaration, will be constituted by elections.

A columnist in the pro-Beijing MIRROR [CHING PAO] magazine, Koo Singfai, said China endorsed both direct and indirect elections to help maintain Hong Kong's prosperity and stability.

"Don't be hasty, we can't afford to make any wrong steps," is the message China wants to convey.

Selection of the chief executive: When the Joint Declaration was written, China appeared to have predicted a possible situation that a person disliked by China could be selected as the chief executive.

The stipulation in the 1997 pact requiring the chief executive to be "appointed" by Beijing would ensure China has a say in selection. At lest Beijing can say no. As indicated by a senior Chinese official, Mr Li Hou at the Basic Law meeting recently in Xiamen, the appointment was substantial rather than a formality.

This veto power would be important to the formation of the executive branch as a whole because the principal officials are also nominated by the chief executive. Again, Beijing reserves the final say on whether these principal officials should be "appointed" or not.

Beijing may not oppose the selection of the chief executive through one-man-one-vote system provided that it can have some say on its candidates.

But how this could be done is subject to further studies and the reaction of the Hong Kong public. Beijing is apparently worried that if this powerful official is unacceptable to China, or perhaps the rich classes in Hong Kong, a confrontation between the Beijing and the SAR would break out.

Relationship between the executive and legislature: The relationship lies in the key word "accountable" in the Joint Declaration. According to one local drafter, China is concerned with how well it could maintain its control over the entire setup.

Under the 57-member proposal in the consultative committee, China may have control on some 70-75 percent of the councillors selected while in the latest 190-member option, it may only have 25-30 percent.

Other Basic Law issues which have almost been resolved without any great trouble are:

-- Regarding the sensitive issue of party politics, it is almost certain that this would not be stipulated in the Basic Law because it is difficult to define a "political party" and such introduction would not prevent the open activities of the Chinese Communist Party after 1997.

-- More and more people have shared China's views that there is no question of the SAR possessing the "residual power" as Chinese officials have repeatedly stated that this concept is inapplicable because China is by no means a federal state.

BASIC LAW DRAFTERS EXPERIENCE DOUBT, CONFLICT

HK270633 Hong Kong SOUTH CHINA MORNING POST in English 27 Oct 86 p 15

[Text] As Hong Kong moves towards the 1997 changeover after the sealing of its fate two years ago, the drafters of the Basic Law have, in the past year, switched from enthusiasm and optimism to disappointment and disillusionment.

The past year has been marked by controversies and conflicting views among the Basic Law bodies that brought out into the open inherent divisions between China and the territory as well as splits among the many sectors of the community itself.

It is time to face up to the conflicts realistically, with mutual trust and understanding in the drafting body and the community so that the Basic Law scheduled to be promulgated in 1990 will be widely accepted.

In its naming of the 59 drafters, including 23 prominent locals, China has been keeping its finger on the community's pulse and treading carefully so as not to offend local sensibilities or embarrass the British administration.

Top marks should be accorded to the Beijing-appointed drafting body in naming the 180 strong Consultative Committee, producing the skeleton of the future constitution and ironing out some differences within the five sub-groups.

Mutual visits between community bodies and Beijing officials to boost understanding were arranged and mainland drafters made fact-finding trips to the territory from the beginning of this year.

The 5 1/2 million people of Hong Kong know the future document will be another written guarantee other than the Joint Declaration maintaining freedoms they enjoy and systems they live under for half a century after 1977.

Many were more than enthusiastic in installing their representatives to the Consultative Committee to directly influence the drafting when nominations began about a year ago.

Repeated controversies in the past year, the latest of which was Daya Bay nuclear plant issue, have cast doubt in some quarters on the sincerity of Beijing in implementing the imaginative "one country, two systems" formula.

Open and indirect remarks by Beijing officials on the future political system that were, rightly or wrongly, conceived as China's "baseline" have inevitably dampened the community's enthusiasm in fighting for their cause.

The apparent over-reaction of the community to the socialist term "democratic consultation" in the constitution of the consultative body was but a reflection of the panic brought about by anything which smacks of communism.

The controversial term was weeded out, though it still appears once in the final document.

Hong Kong members have previously said they would vote against the draft if their views on key issues, including the relationship between the Basic Law and the Chinese constitution and residual powers, were not heeded.

The aggressive way the Hong Kong members pressed home their points surprised some of their mainland counterparts but assured the community they were not just yes-men.

The statement by Mr Ji Pengfei that "the thinking and working styles of the Hong Kong and mainland members have been considerably different" underlining the major difficulty drafting and implementing the "one country, two systems" policy.

It is important that the gap should be bridged and understanding deepened between the two sides during the drafting process.

So far Beijing has been receptive to demands from the local drafters that are within the limits of the Joint Declaration and state sovereignty, though the two are open to interpretation.

Arguments over the term "accountability" that describes the relationship between the executive and legislature have seemingly been settled after the political sub-group meeting in Xiamen in August.

Mr Zhou Nan who heads the Chinese negotiation team during the 1997 talks equated such a relationship with the existing links between the Executive and Legislative councils.

The sub-group also came to a consensus that the future government should incorporate a separation of powers between the executive, legislature and the judiciary and be reinforced by mutual checks and balances.

At many meetings in the coming year, the drafting is unlikely to be plain sailing.

It will be of paramount importance for the 23 Hong Kong and 35 mainland members and the two camps within the Consultative Committee to first build up mutual trust before hammering out a Basic Law that can smooth the transfer of sovereignty in 1997.

BASIC LAW MEMBERS AGAINST 1 MAN, 1 VOTE SYSTEM

HK270631 Hong Kong SOUTH CHINA MORNING POST in English 27 Oct 86 p 3

[By Chris Yeung]

[Text] A total of 57 members of the Basic Law Consultative Committee, whose suggestions have been met with fierce criticism from political and community groups, are to fight back.

A source said the 57 members have further elaborated their model during recent weeks and in particular, detailed the composition of the controversial 600-strong electoral college.

Proposals in greater detail are expected to be publicised for comment soon.

They will come soon after a press conference by the Joint Conference for the Advancement of a Democratic Political System today on their plans for a mass rally on Sunday at the Ko Shan Theatre.

It is understood that the 57 committee members, mainly businessmen and younger members of large family enterprises -- have mapped out strategies to reply to criticism.

Bearing the brunt of criticisms of the 57-member proposals are the selection of the future chief executive through a 600-member electoral college and the limitation of direct elected members in the legislature to one quarter.

Candidates running for direct elections have to be "filtered".

It is understood the 57 members are looking into ideas to include three categories of people in the grand electoral body.

These include people who sit in public offices, such as Legislative and Urban councillors; representatives of organizations such as charity bodies and people from bodies that strive for the advancement of the economy such as trade bodies.

One major standpoint among the members is that Hong Kong cannot survive without economic prosperity and that "one man, one vote" may lead to political instability and scare away local capitalists and foreign investors.

One of the 57 members, Mr Leung Chun-ying gave a strong hint during a seminar on Friday that captialists may pack and go if "one man, one vote" is introduced.

And in a forum yesterday, another member Mr Kan Fook-yee said the real crisis of a democratic system was that people with a low level of education might be manipulated by politicians.

"An open society needs a democratic policy-making process...Such process is made through discuss, debate and decision, and persuasion but not necessarily through a government that is built up by a 'one man, one vote' system."

He said Hong Kong people have already had many channels to monitor the present government.

Mr Kan said: "What more democratic rights can we further increased but no scaring away investors and hampering industrial and commercial development?" [sentence as published]

MACAO

SURGES PEOPLE TO 'TAKE IT EASY' ON TALKS

HK250110 Hong Kong SOUTH CHINA MORNING POST in English 25 Oct 86 p 21

[By "Our Own Correspondent"]

[Text] Macao: The chief Chinese negotiator in Macao's future, Mr Zhou Nan, has told the people of Macao to "take it easy" about their future and assured them there would be a very satisfactory result from the talks.

He was commenting on the two days of talks over Macao's future, while at Beijing airport after he had farewelled the Portuguese delegation for a Yangtse River tour.

He said the working group to be set up soon in Beijing would be divided in to two delegations (China and Portugal), although he could not say how many members each group would have.

Mr Zhou said that if necessary, specialists and experts would be invited to the group to handle specific problems.

Asked about the date of Macao's return, he said: "You will have the reply in the future."

The question of whether Macao would be handed back to China after 1997 "would be solved in the talks.

Mr Zhou said he had not decided when he would visit Lisbon, but it could be in mid-November. He would have meetings with the Portuguese President, Dr Mario Soares, on "any problems" which had arisen.

He asked reporters to convey his message to the Macao people that they should "take it easy" about the Sino-Portuguese talks, because it would end "completely smoothly" and the results would be "very satisfying."

He said he would not be visitng Macao in the near future, but there was a chance at some time.